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RENEWED BUYING OF WESTERN LAND REFLECTS REVIVAL

Demand For New Farms is Keenest in Ten Years

NO BOOM EXPECTED

But Steady Sound Growth in West Will Facilitate Recovery Throughout Country

One of the definite indications of improved conditions in Western Canada is the revival of demand for farm lands. The head of a Western trust company reports that his firm has disposed of more lands in the past five months than in the previous five years; other companies report improvement to a greater or less extent. As the harvest progresses to completion under generally favorable conditions, with the price of wheat well maintained, there is a real and substantial improvement in buying sentiment which is reflected in the movement of goods through wholesale houses. Confidence grows that the crop of 1925 will place the Western provinces on a sound basis. The West is still carrying a burden of debt but in the past couple of years it has been reduced, and this year's satisfactory dollar crop promises not only sufficient income to meet current obligations and provide a substantial margin of new buying power, but it also provides new confidence, and with it a more satisfactory credit basis. This refers to practically all sections with the exception of areas in Southern Alberta and Saskatchewan which suffered from drought. These areas provide one of the great problems which Western Canada has to solve. They are not proving satisfactory for wheat farming. Irrigation may reclaim portions of them but some sections may eventually go back to grazing land.

Out of the Depression

All factors considered, it is the judgment of The Financial Post, based on first-hand study by the Editor, who has just completed an extended trip throughout all sections of the Prairie Provinces, that the 1925 harvest will see Western Canada move out of the period of depression which has prevailed for several years. Nothing like a boom is to be looked for. Experience has bred a conservative spirit which is in marked contrast with the unreasoned optimism of the boom days. The feeling to-day is one of new confidence and from all available evidence it is well founded.

This view of the situation which is the result of wide inquiries in Winnipeg and throughout the West finds confirmation in the statement of C. M. Bowman, chairman of the executive of the Mutual Life of Canada, that "beyond the shadow of a doubt the 1925 crop will make the purchasing power of Western Canada greater than ever before in its history; if grain prices keep up, the net returns for the year will be larger than in any other single year." Mr. Bowman made this statement at Winnipeg after an inspection tour of the prairies. For some years he has been a close student of agricultural conditions in the West and an active propagandist for mixed farming. No business man of the East is in a better position to judge of the situation of which he speaks.

Further confirmation of this movement in western land is found in an official report of the United States Bureau of Immigration which states that the number of farmers settling in the Canadian prairies from a large portion of the United States is fifty per cent. greater than for last year and that the two railways and the Hudson's Bay Company had sold more land in Western Canada than in any similar period for ten years.

Favorable Tourist Trade Balance

On our tourists as well as our new settlers, the country is realizing in a large way. Too much emphasis cannot be placed on the development of this remunerative industry. It was predicted by opponents of the gasoline tax in certain provinces that the tax would kill the tourist industry. Instead, every province reports a much larger volume of this business than ever before. It is estimated by the National Parks Board that the tourists left $150,000,000 in the country last year. A similar United States organization reports Canadian tourists to have been worth $20,000,000 to the different States. This gives us a favorable balance of $130,000,000. There is evidence that this figure is short of the mark, and in any event, it will be much greater this year. The fact that this amount comes into the country with virtually no encouragement or development serves to illustrate the possibilities of such an industry organized under the administration of some central board established to co-ordinate the efforts of the various provinces and municipalities.

THE B. C. SALMON PACK

VANCOUVER.—British Columbia's salmon pack, considerably larger than had been anticipated, is finding ready market, the output of sockeye having been contracted for in advance in London and Canadian markets at unusually high prices, it was stated in fisheries circles here.

John D. Rockefeller Jr. is World's Greatest Taxpayer

NEW YORK.—The houses of Rockefeller and Ford maintain their supremacy as the richest in the world.

This became evident when the income tax lists for the year 1924 were thrown open for public inspection.

John D. Rockefeller, Jr., son of the oil king, has the greatest individual income. His income tax for 1924 was $6,277,869. In the previous year he paid $7,453,000. The decrease is accounted for by a lowering of the income tax.

This reduction was in a measure typical of individual returns on the nation's greatest fortunes, although J. P. Morgan furnished a striking exception, paying $574,379 this year, as compared to $98,643 last.

ARE OUR EXPORTS TO FRANCE DOWN 45% OR UP 30?

Wide Discrepancy Between Official Canadian and French Figures

What is the volume and value of Canadian goods and products purchased by France? Has our trade treaty and the special advertising through such media as the exhibition train accomplished anything, or is the volume of trade dropping off annually? Canadian trade statistics tell one story, while the French official returns show the reverse. Business is vitally concerned in knowing which story is correct.

According to the official trade returns of the Dominion prepared by the Department of Trade and Commerce at Ottawa, exports to France dropped from $18,879,097 during the fiscal year 1924, to $10,290,063 last fiscal year, a decline of more than 45 per cent. But, according to the official returns prepared by the French government, our exports to France in 1923 amounted to 373,692,000 francs, while in 1924 they had increased to 482,826,000 francs, which is a rise of nearly 30 per cent. There is evidently some very material discrepancy between the two sets of figures, and it is highly desirable, and, in fact, essential, that we know where our products are going. It is conceivable that there should be some difference between the figures on account of the variety of routes and ports by and through which goods pass, but the excuse for a showing of a 45 per cent. decrease against a 30 per cent. increase is less obvious.

The explanation of such a discrepancy lies in the fact that a country naturally pays more careful attention to the imports because of the fact that tariff duties are collected therefrom, and the trade department receives its information from the department of customs. The matter was a subject of discussion in a recent senate debate at Ottawa, in which Senator C. P. Beaubien stated that, according to the explanation given by the Bureau of Statistics: ".....even in our trade with the United States we cannot get figures to balance; that there is always a big discrepancy between our exports to the United States and their imports from Canada; and that it was not surprising that there should be discrepancies when two countries are separated, as are France and Canada, by 3,000 miles of distance, and

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BETTER DEMAND FOR IMPLEMENTS

And This is Reflected by Market For Shares of the Implement Concerns

Although there has been considerable improvement in the demand for farm implements for harvesting and threshing in Western Canada this year, especially in districts like those in Northern Saskatchewan where the crop is the first substantial one in several years, and this has been reflected in the improvement in the market for the stocks of the implement companies, the chief advance in these stocks has probably been due to the better outlook for the future. Not only will the crop this year materially increase the buying power of the Western farmers, but it will have the effect of restoring confidence, and that is perhaps even more important. And with new confidence in the industry there may be anticipated a new influx of settlers who will also need implements and other farm equipment. Altogether the outlook for the implement companies is much brighter than it has been for some years.

Massey-Harris is being quoted at 58 to 60, as compared with 31 to 33 at the first of the year, while Cockshutt Plow preferred has improved from around 26 to around 35 during the same period. Sawyer-Massey sold at 6 in February, and recent sales have been at 15.

In connection with Sawyer-Massey it may be pointed out that the arrears in dividends amounted to 77 per cent. on June 1, 1925. No earnings have been shown on this stock since 1921, when a little better than 3 per cent. was shown, while in 1920 the showing was above 7 per cent. Information as to current operations indicates that the company is at least breaking even. The preferred issue of this company sold at par in 1913.

"GOOD POLITICS" SAY CRITICS OF FEDERAL FINANCE

Suggestion That Policy Sets Stage For the Coming Elections

From Our Own Correspondent.

OTTAWA.—Dominion finance and Dominion politics are quite different matters, but there are sometimes curious interactions between them. Such a connection has been suggested in some circles here in regard to the new $70,000,000 loan just placed in New York.

The suggestion arises out of a query as to why this loan has been made for a year only. The New York money market is more favorable to long term financing at present than it has been at any time since 1920 with the single exception of last year. The loan now being retired was made last year, and the fact that the market is not now quite so good for long term borrowers as it was then is one reason that might be given for again renewing for a year only. But there is always a chance that the market, being less favorable this year than last, may be even less favorable next year; and that, of course, would be a reason for funding the debt now.

The Finance Minister, however, has chosen to pay off the present debt in part in cash and in part by one year notes. He is able thus to borrow at four per cent., when he probably would have to pay 4½ per cent. for long term money. The result is that he is able to keep his interest charges down and thereby—it is suggested in cynical circles—make a good showing in view of the nearby elections.

The same tendency is observable in the method by which the treasury notes which matured in London last month were met. Amounting to $24,333,000, they were paid off in cash. In the present instance while renewing a short term loan for $70,000,000, the government is meeting $20,000,000 of the loan in cash. The result of both these transactions will be to considerably reduce the interest rate payable on the debt. This is undoubtedly a good thing for the country, if it does not have the effect of necessitating borrowing later at less desirable terms than could be obtained now. However, on the theory of the cynics already mentioned, the important thing just now is to make a good showing in the public accounts which will be before the country in the coming contest. If the present Finance Minister is still in office next year, he will deal with his troubles as they come and not before. If he is so unfortunate as to escape these troubles by loss of office, why should he worry about the troubles his successor may have to meet?

Is Smelters Too High?

Indications are not lacking that a number of the specialties which have attractive speculative interest during the present bull market have been run up to prices which are hardly warranted by real assets or by present or prospective earnings. There is evidence that advantage is being taken of the public interest to distribute at high prices.

Smelters may be mentioned as one of these. There can be no doubt but that this company is making big profits and that much of the advance from the price of 50 which prevailed at the opening of the year to the high level of 120 and better is justified, but the advance has brought in its wake a popular demand which is putting the stock in the hands of a lot of people who probably do not appreciate that the par value of the shares is only $25 and that they are therefore paying nearly five times the par price. Of course par value is of no great significance in fixing real worth but it is doubtful if a great many of the present buyers realize that the dividend appropriation would have to be increased by five times to show a return of 6 per cent. on the present market value—and 6 per cent. is a low return on a mining investment.

It is Not Canada's Job to Provide the United States With Immigration Police

Western Canada is Growing Very Tired of the King Government's Attitude on Immigration—Keeping Good Settlers Out of Country

By Staff Correspondent.

WINNIPEG.—Whatever views may be held in Western Canada regarding the policy of the King government on the tariff and some other issues particularly affecting Western interests, there is strongly evident throughout the prairie provinces the feeling that the government's immigration program—or rather lack of program—is detrimental to the development of the West and of Canada as a whole. Inquiries have been made of officials and public men throughout the country during a tour which has embraced the capitals and other important cities of the three provinces, and criticism heard has been moderate to violent on this question, for out here it is realized that what is needed more than anything else to bring about a sound economic development is to increase the population whether it be in agriculture or in other pursuits warranted by healthy expansion.

"Ottawa seems to have two missions when it comes to dealing with immigration; one to do the work of officials in preventing people entering the United States by way of Canada, and the other to use all the legal ability available in the department to find technical points to bar immigrants from entering Canada," was one indignant statement made by a man who is in a position to know what is going on.

On the first point the feeling is that it is the business of the United States to enforce its own quota law, and that Canada should not be concerned whether immigrants coming into this country expect to later go to the United States or not. On the second, the Western view is that if the immigration regulations are lived up to in the spirit of the act, the legal experts of the department should not devote themselves to finding technicalities for keeping out settlers who give every reasonable promise of becoming good citizens.

One incident is given as typical. After the close of the war, a successful American farmer who had come to the country from Europe decided that he would like to go back to his old land. He did so, but found that conditions were different there from what they are in America. He now wants to come back, and, having friends in Western Canada, he is desirous of locating there. He is ready to meet all the Canadian regulations and his friends in the West are willing to give the government every reasonable assurance that he will locate and remain here. And yet, evidently because there is a feeling on the part of some official that he may want to come to Canada and later go back to the United States, he is not allowed to enter this country.

The West will be found to be strongly in support of any constructive immigration policy. The Westerners believe from experience that the country can absorb people of any nationality who are willing to work for a living under conditions which nature has made most favorable. They do not want Reds and other trouble-makers, but they believe that there is greater harm being done in trying to keep out all those to whom any possible objection might be taken than in following a policy which, while still employing reasonable safeguards, will develop idle agricultural lands, and build up the country's population and its home markets.

Maple Leaf Shares Jump on Bakeries' Prospects

On Monday morning of this week a customer in a Toronto brokerage house offered to wager one of the partners $100 that Maple Leaf common would touch par before the end of the week. The stock was then quoted at 92. On Tuesday morning there were sales at 100.

The incident is related to lend graphic emphasis to the development in the affairs of the Maple Leaf Company as the result of the remarkable success in the flotation of the new stock issue of Canadian Bakeries, which, through common stock control, is a subsidiary of the milling company just as Canada Bread has been made by acquiring a balance of power in common share holdings. And the success of the Canadian Bakeries issue may be taken as reflecting the impression which has been made on the investment public by Canada Bread's remarkable performance in an earning and market way.

The issue of $1,000,000 of 7 per cent. cumulative preferred shares of Bakeries at par with a bonus of one share of common stock for each two of preferred was spoken for long before the official announcement was made and it is estimated that ten times the amount could easily have been disposed of so keen was the appetite of the investment public. The new issue commanded a premium immediately on being made available for quotation purposes. On the day of the formal announcement the preferred was being quoted at 91 and the common at 37 on a basis of if and when issued; fractionally higher figures were also heard. These figures represent a premium of 9 points or better for those lucky enough to have their applications filled. A price of 50 for the common stock is being talked of. And so far as the apportioning of the stock is concerned the policy is being followed of giving the small investor the first consideration. Applications for a few shares are in most cases being filled while applications for larger amounts are being cut in a drastic manner. The policy being followed is to secure as wide a public distribution as possible.

It will readily be seen, therefore, that with the common stock of Bakeries commanding such figures the bulk of the shares which are held by the Maple Leaf Company represent a very substantial increase in the company's assets and this accounts for the demand for the common stock with attendant advance in price.

The record of the Canada Bread company is undoubtedly the inspiration for this speculative interest in the new Maple Leaf subsidiary. Bakeries will occupy a somewhat similar position in Western Canada to that of bread in the East.

The capital stock of Canadian Bakeries authorized and issued consists of $800,000 first mortgage 6½ per cent. bonds, $1,000,000 7 per cent. first cumulative preferred (the issue which has just been taken up), $1,000,000 7 per cent. second cumulative preferred and 20,000 non-voting class A shares, without nominal or par value but possessing full voting power. There have also been authorized 20,000 non-voting class B shares, without nominal or par value, for conversion only of second preferred stock on a basis of two shares of class B for one share of preferred. When the preferred and common shares have been duly distributed amongst the applicants, arrangements will be made to have them listed on Toronto and Montreal stock exchanges.

Young Canadian Banker Joins the Morgan Firm

Another young Canadian banker has been slated for an extremely important and promising position in one of the largest financial institutions of the United States. W. A. Mitchell of the Credit Department of the Royal Bank, head office, has joined the firm of J. P. Morgan & Co., to undertake the reorganization of the foreign credits department of that firm.

Mr. Mitchell had a wide experience in banking, especially in the handling of credits. He was chosen a short time ago to do a special piece of work in the Paris branch of the bank, and gained valuable experience there. His unusual ability was observed by the Morgan firm during the purchase of the Bank of South America by the Royal Bank of Canada when he was given charge of the taking over of the assets of that institution. It was not long after this work was completed when Mr. Mitchell was approached by the Morgan firm. He has since become an officer of that institution and is now in Europe in connection with his new work.

Rapid Rise Unjustified Says Canada Cement Company Head

MONTREAL.—It appears probable that a pool has been formed to manipulate the stock of the Canada Cement Company. At any rate, there is nothing in the recent news about the company which would justify its rapid rise to over 112.

The president of the company, Frank P. Jones, told The Financial Post that he believes the rise has been caused by manipulation and that he is strongly opposed to efforts of this nature which may eventually lead to loss on the part of the shareholders.

Much has been written, and even more has been rumored about the benefits accruing the company through closing the contract with the Aluminum Company of America for its entire cement requirements for the next five years.

The Aluminum Company will spend $100,000,000 on a new plant and hydro-electric power project on the Saguenay River at Chute a Caron.

Naturally, the Canada Cement Company was satisfied at receiving this business, but as far as the effect of this order on the company's yearly earnings is concerned, the investor can quite safely leave it out of account, for, despite the rumors indicating that the Aluminum Company's requirements would be in the neighborhood of 800,000 barrels a year, Frank P. Jones told The Financial Post that this business would probably not reach a total of 200,000 barrels per annum, or 1,000,000 barrels spread over five years.

But Earnings Unaffected

At the present time, the company produces about 6,000,000 barrels per annum. The investor can therefore understand that the prosperity of the company depends not on one or two big orders, but on the general trend of business and construction throughout the country as a whole.

Again the investor must remember

(Continued on page 13)

WOULD REGULATE INSURANCE RATES BY LEGISLATION

Radical Proposals Are Made by Superintendent for Ontario

SAYS COSTS TOO HIGH

Why Should 40c. of Dollar be Disbursed in Fire Field—Competition Only Regulator in Auto Rates

By Staff Correspondent.

WINNIPEG.—Is it desirable that in the interests of the insurance companies and the public that there should be fixed rates for automobile, general casualty and fire insurance in Canada? This highly important and complex question has been thrown into the arena of practical affairs by the address of R. Leighton Foster, superintendent of insurance for Ontario, on rating laws, before the Association of Superintendents of Insurance for the provinces of Canada in session here. Mr. Foster's address was the outstanding feature of the conference. He declared that the companies had been singularly deficient in force and ingenuity in attacking their own problems and expressed his conviction that state supervision and regulation of insurance rates should be regarded by the companies as not only protection to the public, but as a guarantee of adequate and reasonable rates to themselves. He concluded his summing up of the whole situation as follows:

There is an international tendency in recent years to put more power in the hands of the government. It has been pretty well established that the disease, in insurance circles at least, justifies the remedy. Far-sighted company officers will do well to appreciate that sooner or later changes must be made and that it is better for the companies to make the changes themselves than to wait for government officials, hostile legislators, or inquiry commissions to make changes for them. The companies have been singularly deficient in force and ingenuity in attacking their own problems. If it be admitted that they are really powerless in the face of unbridled competition, the Ontario rating law, with or without further extensions, may be of some assistance. Of one thing I am convinced, and that is, that state supervision and regulation of insurance rates as initiated in Canada in the Ontario rating law should be regarded by the companies as not only a protection to the public, but as a guarantee of adequate and reasonable rates to themselves, and that if they will work with rather than against the department in its administration, the next few years should witness the elimination of many abuses in the business which have given rise to agitations in the past for state rate-making or state insurance.

Competition Only Regulator

Illustrative of the present irregularities in rates, Mr. Foster referred particularly to the automobile insurance field in which he made it clear that at the present time competition is the only real factor in fixing what

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The Need of Protection For Woollen Industry

Urging the need of a protective tariff in Canada, C. Gordon Cockshutt, president of the Woollen Goods Association, in opening the association's exhibit at the Toronto National Exhibition said the textile industry at the moment was struggling with competition from countries abroad.

"The wage scale in Europe is from one-half to one-quarter of that prevailing in our mills, and production costs there are consequently lower. So severe is this competition that more than $40,000,000 worth of woollen and knitted goods were imported in a year, which, if made here, would have provided employment for 20,000 additional workers. Through the medium of the Canadian National Exhibition it is hoped that the extent of the woollen industry to-day, and how it might be developed, will be shown," said Mr. Cockshutt.

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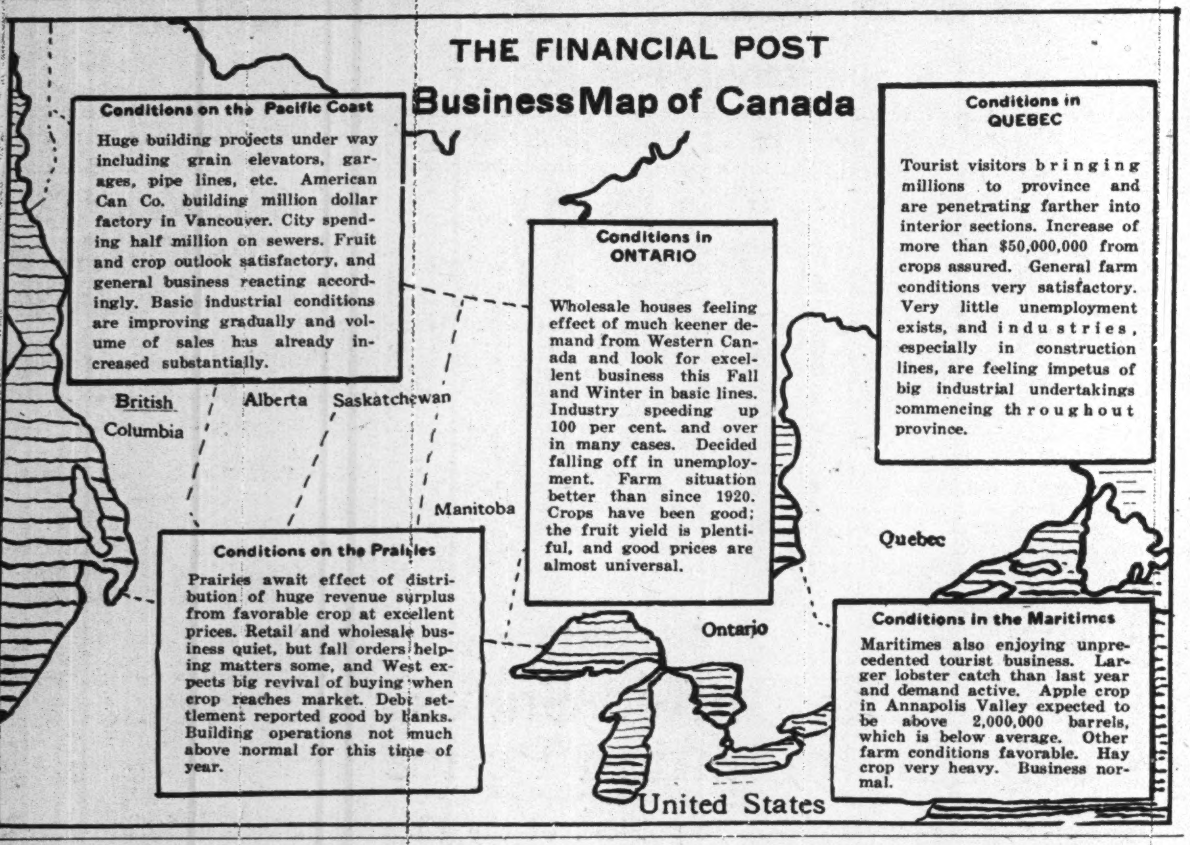
The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.



FOREIGN TRADE OPPORTUNITIES—No. 3

Brazil Doubled Purchases From Canada in Two Years

Thriving Republic of Thirty Million People and Immense Buying Power Needs Manufactured Goods Such as Canada Produces

Stretching from the north coast of South America to far below the central portion of the continent, and comprising a rich and fertile area almost equal to that of Canada, is Brazil, a thriving young nation of thirty million people. Canadian trade with Brazil is small, as yet, in the aggregate, but has been expanding very satisfactorily of late.

Like Canada, Brazil is predominantly agricultural. The most important products are coffee and rubber. Of the former she produces about 75 per cent. of the world's supply. Sugar also is grown on a relatively large scale, while tobacco and cotton are grown in increasing quantities each year. Some of the other vegetable products are tea, rice, cacao and manioc. Stockraising is carried on extensively, especially in the southern districts, a large quantity of livestock, as well as of animal products such as skins and hides, being exported annually. Forest products include dyewoods, rosewood, resins, waxes, etc. Certain sections of the country abound in mineral wealth, such as diamonds, manganese ores, coal and copper, but little has been done towards their development.

Manufacturing is still secondary in importance in Brazil, although there is some important development in some lines, fostered by a high protective tariff. Cotton and sugar mills and tobacco factories are constantly being added, especially in Sao Paulo, which is the chief industrial state, and the one in which the frozen meat industry is largely concentrated. In this state, also, 60 per cent. of the world's coffee is produced annually.

Canadian Goods Needed

The chief items in Brazilian purchases from Canada during the past two years comprise such products as structural steel, sewing machines, fish and fish products, flour, rubber tires, automobiles and parts, copper wire and cable. Brazil has purchased a large number of locomotives from this country in the past. Last year's total purchases from Canada totalled more than $3,417,000, but the total value of imports is something like $500,000,000, so that our share is very small relatively. The favorable feature of it is that it has expanded greatly in the past three years, and, with careful promotion, can easily become extremely remunerative, since Brazil has to import just such products as Canada exports, to a large extent.

Much can be done to promote our trade with Brazil, and the other southern countries, by a careful study of their needs as well as a thorough knowledge of the documentary and other technical requirements. The official language of Brazil is Portuguese. The unit of currency is the milreis. The gold milreis is valued at 54 cents, and the paper milreis at 32 cents. A conto is 1,000 milreis. The currency has been materially depreciated for a long time, the paper milreis being now quoted around 12 cents. In making quotations to Brazilian firms, the preferred usage is on a basis of c.i.f. cost, insurance, freight, included) Brazilian port, rather than f.o.b. Canadian port. Credit information on the business firms in the leading cities of Brazil will be provided by those Canadian banks which have branches in the republic.

Imports and exports for the past three years were as follows:

(Fiscal Years)

	Imports from Canada	Exports to Canada
1923	$1,391,136	$1,929,067
1924	1,439,497	2,624,310
1925	1,818,213	3,417,249

Canadian Conditions

	1925	1924	
Car Loadings—			
Week Aug. 22	53,595	50,876	+ 5.3%
Yr. to date	1,725,505	1,795,796	— 3.9%
Grain Receipts—	1925	1924	
Aug. 1 to Aug. 14	2,056,311	1,748,503	+17.5%
Building—	1925	1924	
July	$11,266,421	$10,195,058	+10.5%
Bank Clearings—July—	1925	1924	
	$1,321,368,298	$1,453,999,460	— 9.1%
Savings Deposits—Chart. Banks—	1925	1924	
June	$1,253,703,216	1,453,999,460	— 9.1%
Current Loans—By Banks—	1925	1924	
June	$895,592,277	$986,366,366	— 9.2%
Net Dominion Debt—June 30—			
	$2,378,619,626	$2,389,912,241	— 0.4%
Balance of Trade— 12 months, July 31—			
Exp.	$1,093,165,663	$1,066,305,260	+ 2.5%
Imp.	817,757,042	850,472,013	— 4.00%
Bal.	275,408,621	215,833,247	+27.6%
Wheat, No. 1, Nor. Winnipeg—	1925	1924	
	Aug. 31,—$1.54	Aug. (Av.) $1.43	
Railway Earnings— 6 Months—			
C. P. R.	$75,155,819	$84,656,917	—11.2%
Oper. Exp.	67,356,173	73,266,833	—8.06%
Net	7,799,646	10,390,084	—24.9%
C. N. R.	$105,543,743	114,862,558	— 8.1%
Oper. Exp.	101,801,397	112,233,128	— 9.3%
Net	3,742,346	2,629,430	+42.3%

Livestock Producers Plan to Increase Operations

EDMONTON.—If present plans are followed out, the Livestock Producers of Canada, the big feeding and exporting organization which has its feeding headquarters at Edmonton, will, during the coming winter, double the scale of its operations locally, which means that at least 20,000 head of cattle will be exported from Edmonton district in the course of the next season. This is the statement of H. P. Kennedy, of Toronto, president of the company.

Mr. Kennedy has just returned from a trip to Great Britain, where he found that not only are finished Canadian steers in demand, but there is an unlimited market for store cattle to be put in marketable condition on Scottish and English farms. He visited farms where Alberta cattle had been finished, and farmer-feeders reported to him that Canadian cattle had shown superior feeding qualities and had given them a return of as much as $10 a head over those from Ireland and their only other source of supply.

Big Increase in the Sale of Motor Trucks

NEW YORK.—Unofficial figures of motor truck and bus sales by the four leading organizations — International Harvester, Mack Trucks, White Motor and Pierce-Arrow—show an aggregate of 22,150 vehicles sold in the first half of 1925.

This was an increase of 4,670 vehicles, about 27 per cent., over the unit sales by the same companies in the first six months of last year.

While this aggregate shows the truck and bus business to be at the largest rate of any year, it does not represent the volume of business coming to hand, as orders are considerably larger than sales.

WHEAT EXPORTS FROM RUSSIA PREDICTED

Authority Thinks Soviet Will Place Unknown Quantity of Wheat in World Market

WINNIPEG.—Russia will have an unknown quantity of wheat and feed grain for export this year, according to a statement made by Sir Herbert Robson, chairman of the allied grain commission in New York during the war, and now of the T. Ross Smyth Co., of London, England. In discussing the matter, Sir Herbert stated as his opinion that the Soviet republics comprising what was once Russia, have been able to change from a wheat importing country to an exporter, and there is no means of ascertaining what volume of grain they will be in a position to place in the market.

Discussion the probability further, Sir Herbert Robson said:

"Over in Europe to-day a new factor has developed because of the Russian situation. Last year Russia had nothing to export and was an importer. This year she has an unknown quantity of bread grain and feed grain to export. She has got a very fine crop of rye, a good crop of wheat, and I think a good crop of barley and oats. Of course, the crop will not be as large as pre-war. But it will certainly be a great deal better than things were immediately after the war. In 1923, two years ago, Russia exported 3½ million tons of grain and oil-cake, and I think I may safely say she is going to do a great deal more than that this year.

"Previously, Russia has had great trouble over finances. This year she has been able to induce a large number of international firms to advance her sums in prepayment for wheat to be shipped later. The sums are very large sums of money. It is estimated that the Russian government has received anything from 2 to 2½ million sterling for wheat to be shipped in September, October and November. This sum will enable her to make payment to her peasant farmers, and also to move grain much more easily than she could do two years ago.

"As to your own crop in Canada here, I suppose you know more about it than I do, but I understand it is likely to be from 350 to 375 million bushels. And as to America, it seems quite possible that she will import Manitoba wheat later in the season.

"Now as to Europe. They had such a shock there during March and April, that buyers there are very scarce. They have not yet regained the confidence which they lost in the spring. Over and above that they do not know in Europe what Russia is going to do, and their inclintion is to buy only from hand to mouth. You cannot sell any grade of wheat for forward shipment except in very small quantities. My opinion is that the buyer of Europe for some considerable time will want to buy his wheat as he buys his milk and other commodities—from day-to-day."

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Deposits (Oct., 1924)..... £39,719,331

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(31st December, 1924.) ($5=£1.)
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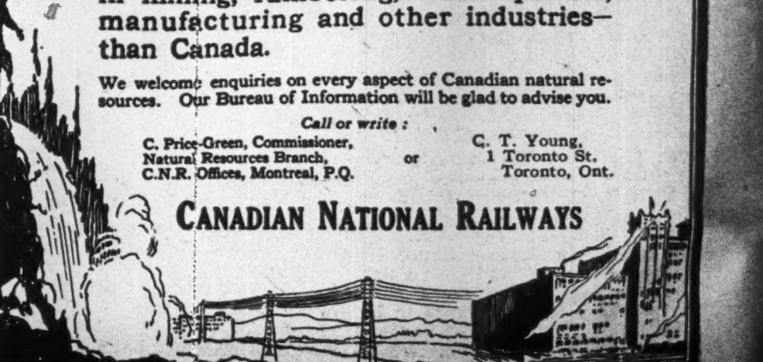
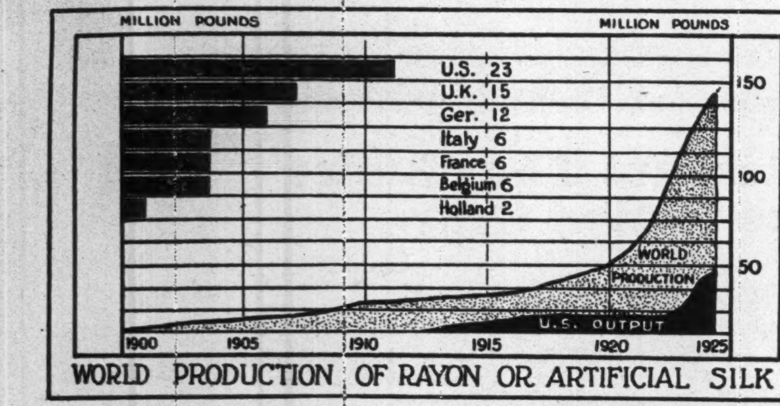


HUGE OUTPUT OF RAYON STILL FAR SHORT OF DEMAND

Uses Multiply as Product is Combined With Other Fibres

Rayon has taken the textile industry by storm. The story of the rapid expansion of the artificial silk industry is one of the romances of modern business. To-day the world production and consumption of this product is far in excess of that of natural silk, except in the Orient, while a decade ago the product was scarcely heard of.

The world output of rayon in 1900 was 1,500,000 pounds. In 1911 it had reached 20,000,000 pounds, and in 1921, 65,000,000. Last year the total output was in excess of 140,-000,000 pounds, and there is no indication of any decline in the rate of increase. Its production passed that of natural silk for the first time in 1922, the average output of the latter being in the neighborhood of 66,000,000 pounds. The production of rayon in the various countries is as follows, with the percentage produced by each:



WORLD PRODUCTION OF RAYON OR ARTIFICIAL SILK

POUNDS (AVOIRDUPOIS) (000 Omitted)

	1922	%	1923	%	1924	%
U. S.	23,500	30	35,400	36	38,850	28
U. K.	15,340	20	16,500	17	24,000	17
Germany	12,584	16	13,000	13	23,500	17
Italy	6,292	8	10,000	10	18,500	13
France	6,292	8	7,700	8	12,500	9
Belgium	6,292	8	6,000	6	9,000	6
Holland	2,517	3	2,600	3	3,500	2
Switzerl'd	1,888	3	3,700	4	4,000	3
Others	3,461	4	2,100	3	7,350	5
	78,166	100	97,000	100	141,000	100

As indicated above, the United States is the largest producer of rayon. The most important American plants are those of the Viscose Company affiliated with the English Courtaulds, Ltd. Then comes the Tubize Artificial Silk Co., which is affiliated with the Belgian Tubize Company. The Du Pont Rayon Company operating under French viscose patents, the Industrial Fibre Corp. of America, and the Lustron Company, are next. There are also a number of smaller companies.

Uses of the New Product

The hosiery industry is the largest consumer of rayon, although the production of sweaters and other articles of clothing has become very important of late. At present, stockings, socks and jumpers account for about one-half of the world's consumption. Rayon is being increasingly used as a woven fabric, either alone or in conjunction with other fibres. Its big field is the latter, especially in combination with silk, cotton and wool. The possibilities of development in the cotton-rayon lines are seen in the fact that while rayon represents 20 per cent. of the raw material used in the broad silk industry, and 5 per cent. of the material used in the hosiery and underwear trade, it represents only 2 per cent. of the raw material consumed in the production of woven cotton goods.

Used along with stockings, there is said to be an almost untried field for materials for men's clothing, and the use of such combinations for dress goods for women's wear is growing daily. Weavers are able to produce many attractive worsteds and rayon novelties, having the essential features of texture, weight, color, etc., that make them suitable for the better grade of tailored women's suiting cloths. There is also a wide field open to rayon used along with woollen and worsted yarns. Along with silk, rayon is capable of producing beautiful effects, since, when dyed, it can take many artistic pattern effects. It is stated that even the most expensive silk goods now produced may be enriched both in color and ornament, by combination with rayon.

A rather new development in the use of rayon is knitted cloth for the production of underwear. Other new fields are in the drug trade, in rubberized silk cloth for surgical purposes, in production of motor car tires, and for insulation in electric wiring and electro-magnets. In general new avenues of possibility are opening up almost daily, since rayon fulfils a need which is found in many and various phases of production.

Profits of Rayon Manufacture

Although the leading firms engaged in the production of rayon in the United States have not yet begun to publish statistics showing their actual profits, it is fairly well established that the industry is becoming very remunerative. Some of the leading firms have increased their capacity and capital steadily, which seems to indicate that large profits are being turned back into the business. In an article on the subject published recently by Green, Ellis and Anderson, of New York, it is estimated that the Belgian Tubize Company earned in 1923 between 25 and 30 francs per kilo (2.204 pounds). The Courtauld interests in England are developing constantly, having established subsidiaries in Canada and the United States. The rapidly increasing demand for rayon would itself indicate that there are large profits in the business.

The production of rayon has not advanced far in Canada as yet, although the consumption has increased enormously. In addition to the British interests mentioned, which are located at Trenton, Ontario, it is rumored unofficially that the Dominion Textiles contemplate entering the field. Imports of artificial silk fabrics into Canada last year were almost three times as great as those of the previous year. This is sufficient evidence of the demand.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

GERMANY PAYING MONEY REQUIRED BY DAWES PLAN

Payments for First Nine Months Made from External Loan

According to an analysis of the Dawes' plan made recently by the New York Trust Company, German reparation payments made during the first nine months of operation of the plan, amounted to 740,125,077 gold marks. The schedule calls for the payment of 1,000,000,000 gold marks during the first year of operation. It is apparent, therefore, that the payments for the first nine months are almost exactly in line with requirements. It is significant, however, that 85 per cent. of the payments made so far have come from the 800,-000,000 gold mark loan floated by Germany. Following is a statement of receipts and payments by the Agent General for Reparation Payments for the period from September 1, 1924 to May 31, 1925:

Receipts

	Gold Marks
From proceeds of 800 million German external loan ...	629,828,000
Int. on reparation bonds of German Railway Co.	100,000,000
Paid by Belgium and Luxemberg for coal and transport	10,161,000
Differences in exchange and interest cashed in	136,000
	740,125,000

Payments

Paid to creditor nations ...	621,516,000
Coal and transport to Belgium and Luxemberg	10,376,000
Expenses of Office of Reparation Payments and Comm.	21,023,000
Service on 800 million German loan	49,312,000
Balance in Reichsbank to credit of Agent General ..	37,898,000
	740,125,000

It seems to be the general feeling that the real test of the ability of the German treasury to make payments will come in the third year, viz., that commencing September, 1926, during which provision will have to be made for the payment of 110,000,000 gold marks. In the following year, the budget burden will be 500,000,000, and, in the fifth year, 1,250,000,000, out of a total of 2,500,-000,000 gold marks.

In a recent speech before the International Chamber of Commerce, at Brussels, S. Parker Gilbert, Agent General for Reparations Payments, made the following statement with regard to the Dawes' Plan:

"It has succeeded in breaking the reparations deadlock. It has restored trust and confidence where for so long there was nothing but doubt and despair. The plan has realized two essential preliminary objects. The German budget for the fiscal year 1924-25 shows a balance. Germany has also succeeded in providing and maintaining a stable currency."

He acknowledged that the burden was light in the first year, due to the fact that four-fifths of the annuity was provided by the international loan. "But," he added, "Germany has faithfully performed the obligations resting upon her under the plan."

Following is a statement of the payments made in kind to creditor nations:

	Gold Marks
France	305,409,000
Great Britain	158,666,000
Belgium	72,165,000
Italy	48,771,000
Serbia	21,980,000
Rumania	5,070,000
Japan	3,700,000
Portugal	3,389,000
Greece	2,026,000
Poland	40,000
Total	621,516,000

DECIDED RECOVERY IN TRADE OUTLOOK OF UNITED STATES

General Feeling is That Autumn Will See Improvement in Many Lines

Confidence seems to be very prevalent throughout the United States and Canada that better business and industrial conditions may be expected following the seasonal lull now almost over. These are some of the expressions of opinion by United States authorities:

The Guaranty Survey

Increasing confidence characterizes the business situation. Although the usual midsummer lull in many of the important branches of production and trade is in evidence, it is less pronounced than was anticipated earlier in the season. And as an indicator of future trends it is overshadowed by such factors as the prospective crop yields, the advances in stock and commodity prices, the firmness of money rates and the unusually active movement of seasonal goods.

In comparison with the situation last year, present conditions appear in an especially favorable light. Nearly all indexes show greater activity in production and trade than a year ago. Indeed, in some lines the recession of the last few months has given way to expansion, in spite of seasonal influences. With business more active than was generally expected a few months ago, it is probable that, barring a reversal of the present crop prospects, more than the usual quickening of activity will occur in the autumn.

Dun's Review

It is the more common report now that business is gaining, something being added each week to the progress recently made. The advance is gradual, yet this is more to be desired than a rapid expansion that might lead to excesses and increase the possibilities of a sudden reaction. Except for the threatened coal strike, the present indications are encouraging, and the greater activity in the formation of new enterprises reflects confidence in the future. The prospect of further tax reduction is among the factors that have tended to strengthen sentiment, while there remains the constructive influence of the improved financial position and enhanced purchasing power of farmers in the West and the South. The latter phase is highly significant, for national prosperity largely depends upon favorable conditions in agricultural sections. In view of the stimulating forces which now prevail, there is solid reason for expecting a good autumn trade.

NATIONAL CITY BANK OF NEW YORK

The change of sentiment in business circles for the better has been pronounced in the last two months, and particularly in the last month. The country is well out of the relapse to pessimism which afflicted it in the spring.

MECHANICS AND METALS NATIONAL BANK

Midsummer finds business throughout the United States generally active and prosperous, and the prevailing sentiment is one of more cheerful confidence regarding the outlook than at any time in a number of months. The promise of an unusually large corn crop and a moderately good wheat crop, an increased upward turn in the prices of many commodities, and a considerable show of interest on the part of buyers with fall commitments in hand, are responsible for this sentiment. Their effect has been enhanced by a favorable credit situation, by repeated promises that tax burdens on business are to be lowered again in the next congress, and by reports of developments favorable to stabilization abroad.

Railroad traffic, bank clearings, steel output and other familiar barometers show that trade is moving forward at a good pace, though of course there are a number of cross currents and irregularities. There is now a movement toward heavier inventories of raw and finished materials, in expectation of an autumn inquiry for goods of all kinds, but as yet the movement has shown no signs of going too fast. Throughout industry the temptation is strong at all times to overproduce and force sales, for since labor and manufacturing costs are high, and since competition is keen, plant managers find that best economy is gained by running plants at as full a capacity as possible. As a rule, however, the temptation to overproduce has been successfully resisted thus far in light of the admonition, constantly given, that output should be restricted in accordance with the cautious attitude of buyers.

EASTERN HAY CROP

FREDERICTON.—An increase of 199,-000 tons in the hay crop of New Brunswick is forecast in the estimated crop yield statistics of the Provincial Department of Agriculture, which estimates the crop at 794,000 tons as compared with 595,000 in 1924.

Increased Demand for Farm Lands in West

Winnipeg.—The Hudson's Bay Company, one of the largest landowners in Canada, reports an increase in the sale of farm lands and a decrease in the sale of town lots during the six months ended July 31. In the period covered by the report the company sold 71,297 acres of farm lands for £177,518, an increase of 46,240 acres and £107,019, respectively. The improvement was slightly more marked in the second than in the first quarter, for sales of farm lands for the quarter ended July 31, were 39,177 acres, an increase of 24,989 acres, and the value £94,942, an increase of £54,535.

MANITOBA LUMBER CUT

WINNIPEG.—As a result of the active demand for lumber, the mills of The Pas, Man., expect to cut 50,000,000 feet this season, according to the report of R. W. McKinnon, commissioner for the Northern Manitoba territory. This is 10,000,000 feet more than the previous season.

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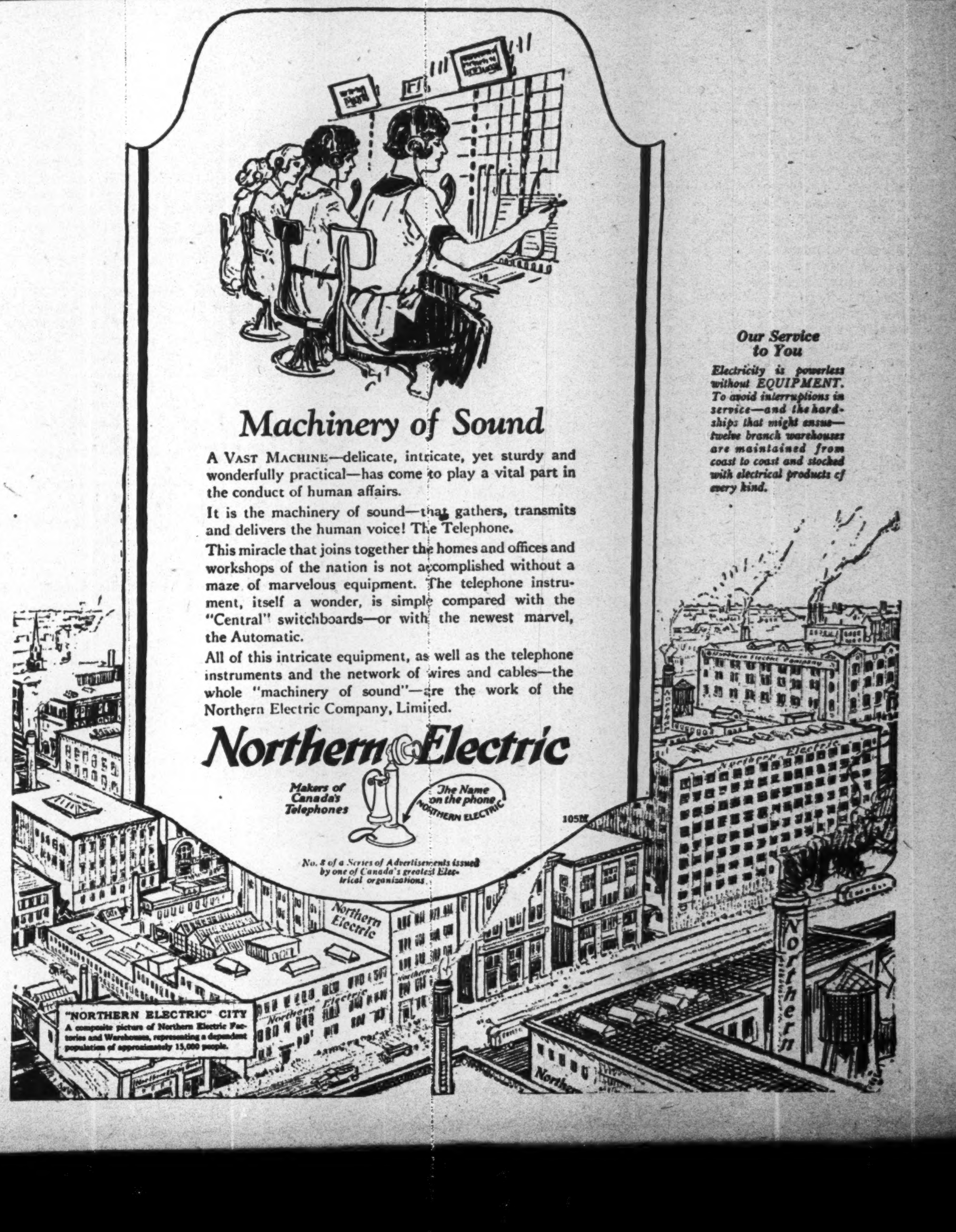


The Securities Markets

STOCKS INCLINED TO RECEDE FROM HIGHEST LEVELS

Technical Factors Still Favor the Bull Element, But—

Market Indicator
20 Industrial Stocks

	High	Low
Week of Sept. 3.	83.4	79.6
Week of Aug. 26	82.6	80.1
Mth. of Sept., 1924	70.8	67.5

The trend of the market has continued to higher levels but hesitancy has developed in the late trading with a reaction in some stocks. August closed with a total of business which for the Canadian changes represented the most active trading in some years and perhaps the best showing for that month on record. The technical conditions are still regarded as favorable for a continuation of the advance but there is a growing appreciation that a number of the stocks which have been given broad popular support are selling at levels which are high from the standpoint of investment worth. In this respect the Canadian exchanges are evidently a reflection of Wall Street sentiment and as the latter is obviously experiencing a movement in which investing has given away to speculation the trading there is being closely watched for developments which will influence price trends here. Investors and speculators will do well to watch the situation closely. Such a bull market as has now been experienced for many months is certain to be followed by a bear market sooner or later—or at least all other bull markets have. The reactions usually come after there has been extensive distribution and the evidence is not wanting that for some time now the public participation has been extensive.

From the technical standpoint there is considerable to support the contention of the bulls that the indications are for a continuation of the upward movement. Reports from business indicate continued expansion. Money rates are easy and there is no shortage of funds and there are in contemplation a number of mergers, the successful working out of which will perhaps be followed by advances. The bullish outlook particularly concerns the rails and if higher prices are noted in this department it is unlikely that there will be a reaction in the general list even though there may now be going on a considerable shifting of holdings from industrials to rails by the more experienced investors.

Reaction May Be Expected

Still, looking at the situation from the technical standpoint the conditions seem to favor a continuation of the bull movement for some weeks or even months. The money rate is the best barometer. There is now to be noted a tendency on the part of the commodity prices to advance. When this is multiplied by industrial expansion the demand for money increases, sometimes very rapidly. Added to this there is the prospect of European borrowing in New York to the extent of perhaps a billion dollars. Thus there is in prospect a demand for money which seems almost certain to have its effect in encouraging liquidation of securities and in stiffening the rate for call money.

But apart altogether from the technical factors there is to be taken into consideration the psychological influences. If distribution becomes wide and there is lacking a further crop of buyers, prices may react quickly while the developments which have been referred to are still in prospect. It has frequently been noted that the spirit goes out of a bull market when all the indications are for higher prices, or, in other words, when the process of passing on stocks to the public has been completed.

The records of gains and losses for the week is summarized as follows:

Groups	Gains	Loss	Unch.	Total
Banks	3	2	4	9
Paper	1	8	5	14
Steel	4	4	7	15
Milling	3	5	4	12
Utlities	8	5	3	16
Transportation	4	6	5	15
Textiles	5	1	5	11
Industrials	24	15	11	50
	52	46	44	142

The August Advances

That August saw a real bull market on the Canadian exchanges is indicated by the following summary showing the stocks which gained five points or more during the month, together with the number of shares traded:

Sales	Stocks	Close	Gain
15,531	Asbestos	86½	12⅝
114,013	Brazilian	*69¼	12¼
5,763	Burt, com.	59¾	8
7,633	Can. Bread	58	17¼
11,093	Cement	112¾	8¼
35,751	Smelters	120¼	13¼
9,393	Dom. Bridge	97	9½
1,475	Dom. Canners	134	25¼
1,505	Davies, W. (A)	34	11
3,186	Dom. Stores, com.	56	14½
4,990	Frontenac	120	60
1,660	Do. pfd.	120	27
200	Laur. Power	108	10
1,536	Maple Leaf, com.	100	12
40,376	Mont. Power	208	15½
2,175	Mont. Tram.	185	13
321	Bk. Nova Scotia	279	5½
1,665	Ogilvie	175	12
743	Ottawa Power	103½	8
25	Porto Rico	45¼	7¼
189	Pt. Hope Sanitary	73	5
69	Standard Bk.	186½	7½
3,377	Quebec Power	114½	8½
9,420	Shawinigan	169	8
323	Bank of Mont.	*255	10
794	Royal Bank	*238	5½

Davies Shares Move up to Original Listing Price

Appreciation of the fact that there has been an improvement in the packing industry favorably affecting the outlook of such companies as the William Davies Co., may be regarded as responsible for the flurry which occurred in the shares of that company at the end of the week. The movement took the stock up to a high point of 36 or about ten points in a few days. Much of the gain had so far been held although there was a moderate reaction. When these shares were listed in 1923 they sold at 36½, but then suffered a steady decline until a low point of 11¾ was reached last year.

There is no definite news available regarding dividend prospects and it is not thought that there is any probability of early action in this direction. However the stock is one of those which might be regarded as cheap and therefore having its attractions during a period of speculation such as that now being experienced.

HEAVY LOSSES FOR THE WOOLLEN MILLS

President of Canadian Woollens Hints at Unsound Tariff in Annual Report

From Our Own Correspondent.

MONTREAL.—For the third year in succession, Canadian Woollens, Limited, deductions from operating profits and other income exactly balance, so that the profit and loss account for the year showed neither surplus nor deficit. For the year ended June 30, operating profits amounted to $75,172, which was increased to $77,127 by other income, amounting to $1,955. Deductions from this included interest, reserve for bad debts and an amount of $46,089 for depreciation, which wiped out the net income. The amount for depreciation, in the opinion of the directors, was clearly insufficient, but was all that was available without showing a deficit for the year.

The balance sheet shows a reserve for depreciation of plant and equipment, amounting to $708,174, with a contingent reserve of $18,474, and a reserve of $124,593 for redemption of preferred stock and also for profit on redeemed stock purchased.

Following is a comparison of profit and loss account for the past two years:

Oper. profits	$75,172	$133,552
Other income	1,955	754
Total	$77,127	$134,306
Deductions:		
Int. on bank loans	$17,382	$ 22,534
Loss on sale of assets	....	74,218
Reserve for redemption pfd. stock	4,458	......
Reserve for bad debts	9,196	......
Reserve for depreciation	46,089	37,553
Total deductions	$77,127	$134,306
Surplus for year	Nil.	Nil

In his report to the shareholders, A. O. Dawson, the president, deprecates conditions over which the company has no control which have caused losses to the company for several years and forced others to close their mills. Losses made by shareholders of woollen companies would, he computes, run into millions. The immediate outlook gives little promise of improvement, he adds. Their troubles he attributes to the British preferential tariff and the dumping of goods in Canada from countries where they have low paid labor.

New Shares of Canners Now Listed on Exchange

Canadian Canners Securities made their initial appearance in the listed departments of the Toronto and Montreal stock exchanges this week under the code mark of "C. A. C." The first sale of Canadian Canners preferred took place at 60 and the common at 13. Later sales were at 56½ for the preferred and 13 to 14 for the common. Distribution of Canadian Canners Securities to Dominion Canners stockholders is pretty well completed and the securities of Dominion Canners will shortly disappear from the Canadian exchanges. Canadian Canners has 25,000 common shares of $100 par value. 10,000 preferred shares of $100 par value and $4,000,000 in 6 per cent. bonds, outstanding.

There is very little Dominion Canners common still outstanding and from now on interest will be centred in the new securities. Incidentally the Canadian Canners shares have been ruling the market for Dominion Canners common which is now closing its market career. The high esteem in which the Dominion Canners common has been held during the present year is in sharp contrast with the position it occupied formerly when it was literally kicked around the market. A low point of 20¾ in 1924 and a high mark of 136 yesterday is a wide spread.

Jarvis Seeking to Again Head Canadian Locomotive

A possible contest for control of Canadian Locomotive Co. is indicated by requests for proxies from Aemilius Jarvis, Sr., formerly president of the company, as well as from the secretary of the company, which names Robert Hobson, chairman of the board; Wm. Harty, Jr., president, and Wm. Casey, vice-president. The company's annual general meeting of shareholders takes place in Kingston on Oct. 5. The two requests for proxies indicate that a contest of some sort may be in prospect. Mr. Jarvis was formerly president of the company, and he retired from the board of directors nearly twelve months ago.

INTEREST IN "SOO"

An old favorite is coming back to market attention in Soo preferred which was formerly widely held by Canadian investors. Minneapolis, St. Paul and Sault Ste. Marie shares originally had a wide distribution elsewhere in Canada, and incidentally most of the former shareholders found their investment profitable. Gradually most of the stock was disposed of and there is very little interest shown in these securities, although they are still listed on the Toronto Exchange. The Soo line is a subsidiary of the C. P. R. as is also the Wisconsin Central. There is apparently something ahead for the preferred shareholders since a sudden demand has carried the stock up from 66 to 70.

NICKEL'S DIVIDEND WAS ANTICIPATED

Stock Sold Off Moderately on the Announcement This Week

Dividends on International Nickel common at the rate of 50c. quarterly or $2 per year have been resumed as the result of action of the directors at New York this week. No dividends had been paid since March, 1919. In making the announcement, Charles Hayden, chairman of the board, said:

"By careful and intelligent research the company has reached a point where it has replaced by good industrial business what it lost by disarmament. This is a much more satisfactory type of business. The price of nickel during 1923 and 1924 was definitely subnormal, and, while the price to-day is less than it was before the war, and substantially less than it was during the war, it is one which is showing reasonable profits to the corporation. Current earnings plus its strong financial condition have made the directors feel that common shareholders are entitled to dividends, and they are glad to have been able to put the common stock on the list of dividend payers."

The market had evidently discounted the dividend declaration, the stock selling off nearly a point. At the opening of the year the shares were selling around 25 and on the prospects for a distribution they advanced ten points, from which high point there has been a moderate reaction, as frequently is the case following the actual announcement of good news.

The company has had a big problem in adjusting its production to market consumption following the war-time demand for munitions, but with the expansion of the automobile business, a new market has been found and prosperity has been restored. The last fiscal year ended March 31, 1923, when the company reported a small net income of $48,170, applicable to preferred dividends, following a deficit of $797,747 in the fiscal year ended March 31, 1922. In the fiscal year ended March 31, 1924, Nickel earned, applicable to the common stock, 40 cents a share. In the fiscal year ended March 31, 1925, the company earned $1.43 a share for the common after all charges and preferred dividend requirements, while for the calendar year 1925, prospects are that the company will earn around $3 a share for the common, thus clearly showing the splendid progress which this enterprise is making in its recovery.

ORIENTAL DEMAND FOR FLOUR REVIVES

Product Being Shipped to China as American Product in United States Bottoms

With the recent decline in flour prices resulting from a sagging movement in the wheat market. Oriental buyers have again stepped into the market for flour. Recent high prices led to a hand-to-mouth buying policy on the part of Japanese and Chinese purchasers, and there is reason to believe that their stocks have fallen low.

During the past twelve months the volume of flour shipped from Canada has naturally fallen off, due to the smaller volume available for export last year. With better prices, however, the total value of shipments is up $10,000,000. The figures were $61,896,251 and $72,772,671 respectively, and the volume figures were 12,021,424 and 10,169,692 barrels.

Although shipments are going forward to Tokio and other Japanese points without difficulty, a problem is presented by the filling of Chinese orders in view of the boycott of British goods, and the general anti-British feeling in China. Some firms are reported to have resorted to shipping by way of Seattle in United States boats, and consigning the product as American flour. The problem is simplified by the fact that China is buying a low-grade of flour, and there is no difficulty in passing this grade of Canadian flour as of United States origin. According to present indications, the European demand, as well as that of Japan, will be considerably greater this year than last. Little can be said of the Chinese demand at the moment, on account of the extremely uncertain political situation existing there, and the disinclination to purchase anything originating in Britain or the Dominions.

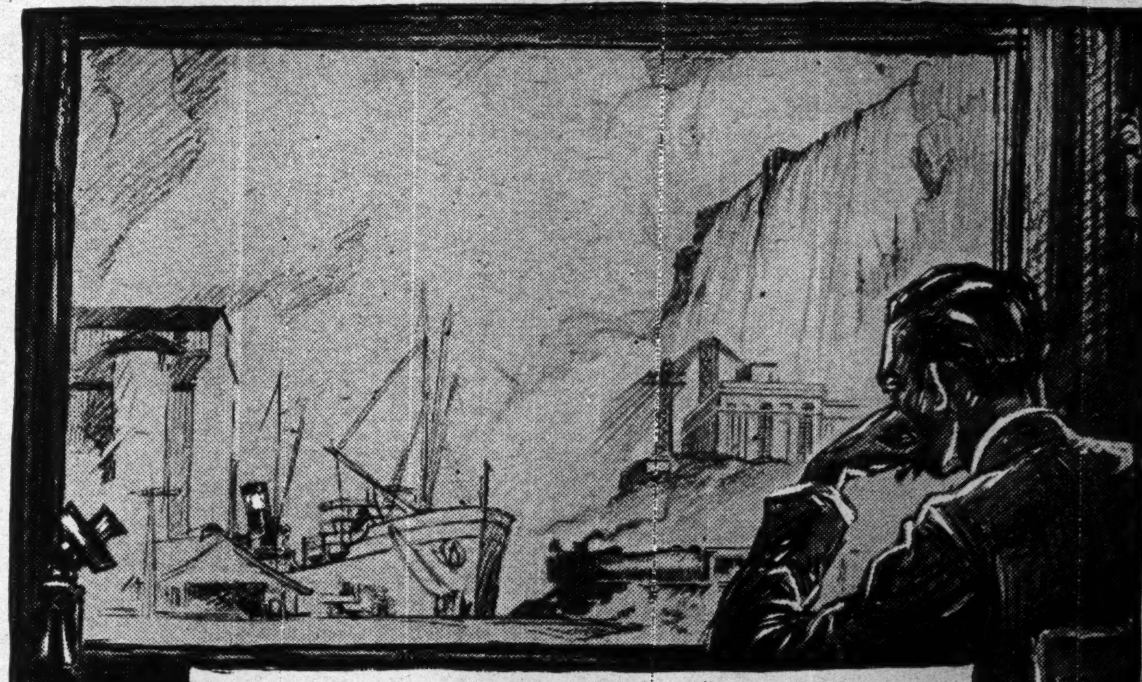
Canadian Salt Makes a New High Market Record

Shares of Canadian Salt have shown a steady appreciation in value and this week sold up to 150, the highest price on record. The company has an uninterrupted dividend record of over thirty years and dividend payments are being made at the rate of 8 per cent. Earnings have always been well in excess of the dividend requirement and in 1924 were equal to 10.58 per cent., 11.67 in 1923, 12.30 in 1922, and 8.94 in 1921. Very little trading takes place in the shares as they are all closely held, but the recent advance has led the street to believe that an increase in the dividend rate, or possibly a bonus payment will be made before long.

Big Profits Being Made From Ontario's Mines

Speaking of Ontario's mineral wealth the September letter of the Canadian Bank of Commerce says:

"It is reported that an aggregate net profit of $1,250,000 is being realized each month from the gold and silver mines of Northern Ontario, gold accounting for $1,000,000 and silver for $250,000. This is the best record so far attained in the history of mining in Ontario. It is thought that by the end of the year monthly net profits of between $1,500,000 and $1,750,000 will be derived from these mines. The returns mentioned do not take into account the large revenue from the nickel-copper district of Sudbury, nor do they include the Rouyn mining field in Northern Quebec, where large ore reserves valued at millions of dollars are said to be piling up. Zinc, which has not previously been mined in Ontario, was discovered recently in that province, while nickel and gold discoveries were made in Quebec and Western Ontario respectively. There is more than usual activity in mining in British Columbia, and it is expected that the 1925 output of that province will show a substantial increase over the preceding year.



Investments That Make The Nation Grow

Just as it has been said that "all great institutions are the lengthened shadow of some one individual" so it may be said that all great nations are structures built through the vision of individuals of courage and enterprise.

It was vision that conceived a band of steel across the continent in order that Confederation might become a reality; it was vision that saw the feasibility of harnessing our rivers with dam and turbine, whereby distant cities could be provided with light and power; it was vision that paved the way to placing Canada in the front rank as a newsprint producer.

The transition from vision to reality was made possible through the accumulated savings of investors who had faith in these undertakings. It was their money that made these dreams come true.

The securities identified with this house have been of this nation building character, embracing the development of our water power, forest and other natural resources.

"The opportunities of TO-MORROW are in the making TO-DAY."
Write for booklet on Water Powers

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NESBITT, THOMSON & COMPANY, Limited
MONTREAL TORONTO HAMILTON WINNIPEG LONDON, Ont.

UNLISTED SECURITIES
Industrials, Utilities, Etc.—

	Bid	Asked
Brooks Steamer (1 pref, 2 com).	3½	5½
Can. Machinery, com.	4	7
Can. Machinery, pref.	13	17
Canadian Oil, pref.	92	95
Can. Westinghouse, com.	147	152
Cockshutt Plow, pref.	35	38
Cosgrave Brewery	4.75	5.50
Dom. Comb. Mill (1pref, 2 com).	33	..
Dom. Power, pref.	93	95
Durant (A)	3.50	4.50
Durant (B)	4.25	5.25
Durant (C)	5	6
English Electric, pref.	49	52
Famous Players, com.	10.50	12.50
Gunns, Ltd., pref.	31	34
Imperial Tobacco	6	7.00
King Edward Hotel Deb. A	73	76
King Edward Hotel Deb. B	52	54
K. & S. Tire, pref.	7	10
Loew's Toronto, com.	27	29
Loew's London, com.	1.60	2.25
Loew's Ottawa, pref.	12	16
Massey-Harris	62	65
Mount Royal Hotel, com.	4.50	5.50
Mount Royal Hotel, pref.	37	40
North Mexico Power, com.	36	40
Manitoba Power, com.	20.50	57.00

Finance Minister Caillaux uses radio in appeal to holders of short-term treasury bonds to exchange them for new 4% loan. Time limit on subscriptions to new loan is to be extended from Sept. 3 to Sept. 30.

QUEBEC SOUTHERN POWER Corporation

6½% FIRST MORTGAGE and Collateral Trust Sinking Fund Gold BONDS Due May 1st, 1945

¶ The essential character of the service rendered by a public utility such as the Quebec Southern Power Corporation makes for more stable operating conditions and more consistent and uniform growth in net earnings than is the case in industrial and merchandising companies. Capital invested in such enterprises is therefore safeguarded to a degree that appeals to the most careful investor.

¶ We recommend the purchase of these bonds now, while the common stock is available as a bonus. Write for circular and map.

Price: 100 and interest to yield 6½%.

Bonus of two shares of common stock with each $1,000 bond.

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TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

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Write for descriptive circular.

AUTOMOTIVE CREDIT SALES CORPORATION
LIMITED
METROPOLITAN BUILDING TORONTO

The Stock Market Record

WEEK ENDING SEPTEMBER 1

	Div. Rate	Yield Aug. 31	High for wk.	Low for wk.	Close Sept. 1	Close Aug. 25	Sales	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12	5.81	208½	205	208½	206	82	208½	195
Dominion	12+1	6.30	206	206	206	206	15	206	189
Can. Nationale	10	6.66	150	150	150	150	20	151	148
Imperial	12	6.12	197½	196	196	199	94	200	184
Montreal	12	4.70	256	254	254	255	474	256	240½
Nova Scotia	16	5.72	279	279	279	279	122	279	262
Royal	12	5.04	239	238	239	238	116	239	227¼
Standard	12	6.44	186½	184	186½	183	22	186½	170
Toronto	12	5.79	..	..	..	..	..	208	192¾
Abitibi, com.	4	6.01	68⅛	65	65	67¾	455	75	62
Do. pref.	7	6.54	..	..	..	..	..	108	101
Brompton Pulp	.	....	24	21	21	24	450	33¼	18½
Laurentide	6	7.50	82	77½	77½	81½	1898	85⅞	75
Price Bros.	2	3.96	51	49	50½	51	1683	55⅞	35⅜
Prov. Paper, com.	6	5.76	..	..	..	..	..	111½	88¾
Do. pref.	7	7.07	98⅜	98⅜	98⅜	99	20	102	95
Belgo, com.	6	7.31	82	82	82	83	30	87	80¼
Do. pref.	7	7.25	97	96	97	96	142	99	95½
Smith, Howard, com.	.	....	45½	41	41	45	280	47	21¼
Do. pref.	8	7.96	101	100½	100½	100½	10	106	69½
Spanish River, com.	7	6.81	105	102	102	105½	1607	111½	87
Do. pref.	7	6.16	116	112	112	116	1670	127	112
St. Maurice Paper	6	7.22	85¼	83	83	84½	165	86¼	81¾
Wayagamack	.	....	53	52	52½	52	245	55	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	2	1⅛	2	2	200	3¾	1½
Do. 1st pref.	.	....	25	24⅞	24⅞	26	45	34	22
Do. 2nd pref.	.	....	7⅝	7½	7⅝	7½	90	11¾	6¾
Can. Car & Found, com.	.	....	35	34	34	37	87	57½	34
Do. pref.	7	8.30	81	78	81	78	211	90½	78
Can. Foundries, com.	.	....	..	..	..	..	..	35	20
Do. pref.	.	....	40	40	40	40	65	50	40
Can. Locomotive, com.	.	....	..	..	..	..	..	71⅜	64
Do. pref.	7	8.97	..	..	..	..	..	90	76
Dominion Coal	.	....	40	40	40	40	25	50	39¾
Dominion Iron, pref.	.	....	..	..	..	..	..	28	20
Dominion Radiator, pref.	7	7.00	100½	100	100	100	255	102½	99¾
Dominion Bridge	4	4.12	99¼	96½	99¼	98	1010	99½	77½
Dom. Steel Corp., pref.	.	....	..	..	..	..	..	38	24½
N.S. Steel, pref.	.	....	..	..	..	..	..	32	24
Ontario Steel, com.	4	6.98	58	55	58	57	280	61	43
Do. pref.	7	7.10	98½	98½	98½	99	10	100	91½
Canada Iron, com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	..	..	..	..	..	35	34
Steel of Canada, com.	7	7.86	90½	88	89½	90⅜	2175	92	80
Do. pref.	7	6.26	112	111	112	111	40	112½	105
Milling—									
Canada Bread, com.	4	6.89	59	56½	57½	59⅛	780	130	39¾
Do. pref.	7	6.60	106½	106	106½	103	180	107½	100
Do. pref.,(B)	.	....	94⅞	94	94⅞	94¾	715	95	85¼
Inter. Milling, pref.	7	7.23	96¾	96¾	96¾	96¾	21	102	96¾
Lake of Woods, com.	12	6.66	183	180	180	185	28	188	176
Do. pref.	7	5.69	123¼	123¼	123¼	125	15	125½	121
Maple Leaf, com.	.	....	100	91	98	91	1116	100	80
Do. pref.	7	7.03	100	99½	100	99½	75	101	96
Ogilvie Flour, com.	3¾	....	175	171	172	179½	395	180½	135
Do. pref.	7	5.55	..	..	..	..	..	127	121½
Shredded Wheat, com.	10	....	..	..	..	..	..	155	148
St. Law. Flour, com.	4	....	31	31	31	31	90	65	27
Do. pref.	7	8.75	..	..	..	..	..	80	78½
West. Can. Flour	8	7.40	108	108	108	108	5	112	107
Utilities—									
Bell Telephone	8	5.67	141¼	139	141	139	725	141¼	133
Consumers Gas	10	5.79	172½	170¼	172½	170¼	34	173	164
Laurentide Power	5	4.63	108	108	108	108	10	108	93¾
Kaministiquia	8	6.55	122	121	122	120	55	125	100
Mackay, com.	7	5.30	132	130	132	132	333	135	114½
Do. pref.	4	5.71	70	69½	69¾	69	560	70	67
Mexican Light, com.	.	....	28	23	28	24	202	28	22
Do. pref.	.	....	63	60	63	58	100	63	57
Montreal L.H.&Pr.Cons.	8	3.84	212	208	208	211	2719	212	152
Montreal Telegraph	8	6.78	47	47	47	47	80	53	45
Ottawa L. H. & Pr.	6	5.94	101	99	101	103	33	105	95
Do. pref.	6½	6.19	105	104¼	105	104⅞	13	109	100
Quebec Power, com.	5	4.36	117	114	114½	118	343	119	85
Do. pref.	7	6.36	110½	110	110	111	131	111	103½
Shawinigan	7	4.14	173½	166	166¾	173	2657	175	130½
South Can. Power, com.	1.00	....	80	78½	80	79	61	84	67
Transportation—									
Can. Pacific Rly.	10	6.89	145½	145	145¼	145	80	152½	137
Can. Steamships, com.	.	....	13½	12½	12½	12½	354	13½	10
Do. pref.	.	....	50¼	46	48	47⅞	7215	50½	42
Tractions—									
Barcelona	.	....	20½	19¾	20½	20	175	24⅛	18¼
Brazilian	4	5.77	69¾	65⅝	69¼	65⅞	56192	67	49½
Detroit Un. Rly.	.	....	¾	¾	¾	1	60	29	¾
Duluth-Superior	.	....	34⅞	33¼	34	35	88	42	33
Illinois Traction, pref.	6	6.28	95½	95½	95½	95¼	20	95½	92
Montreal Trams.	10	5.40	..	..	..	..	..	187	165
Ottawa Traction	4+1	7.81	64	64	64	64½	75	65½	61
Porto Rico Rlys, com.	.	....	46	46	46	46	52	46⅜	35½
Do. pref.	7	7.95	88	88	88	88	5	91½	84
Quebec Rly.	.	....	..	..	..	..	..	24½	20
Twin City, com.	4	6.61	61	60	60¾	60⅞	440	70	58
Do. pref.	7	....	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	52	50¼	51¼	51	1656	53½	35¼
Do. pref.	7	7.21	97	97	97	97	5	98	88
Textiles—									
Can. Conn. Cotton, pref.	1	....	..	..	..	..	..	50	39
Can. Converters	7	7.95	89	86	89	86	652	90	80
Can. Cotton, com.	8	6.75	119	117	118½	115	36	120	106
Do. pref.	6	6.31	95	95	95	95	5	95½	90
Can. Woollens, com.	.	....	..	..	..	..	..	14½	5
Do. pref.	.	....	50	50	50	53½	26	58	40
Dom. Textile, com.	5	5.84	85½	85	85½	85⅛	1255	87	66
Do. pref.	7	5.98	..	..	..	..	..	117½	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	..	..	..	..	..	80	45
Montreal Cotton, com.	6	5.71	105	104	105	103	11	105	95
Do. pref.	7	6.25	..	..	..	..	..	114½	109
Penmans, com.	8	5.00	160	158	159	158	85	166	150½
Do. pref.	6	5.94	101	101	101	12	12	101	99
Wabasso Cotton	4.00	6.34	..	..	..	..	..	63	55½
General Industrials—									
Amer. Salesbook, com.	4.00	8.51	47	47	47	47	22	50⅛	38
Do. pref.	7	7.65	91½	91½	91½	91½	221	94	88
Asbestos, com.	1	....	89½	71½	85	72⅛	16001	89½	35
Do. pref.	6	5.45	110	101	108½	101	6160	117	73½
Atlantic Sugar, com.	.	....	34¾	32¼	34¼	32⅜	4296	34¾	13
Do. pref.	.	....	80	77	80	77	575	82	40
Bird & Son, pref.	7	8.43	..	..	..	..	..	83½	80
Brantford Cordage, pref.	.	....	26¼	25½	26¼	25⅞	512	26½	25
B.C. Fishing	.	....	47½	45⅛	45½	47	816	50	19
Burt, F. N., com.	12	5.04	59¾	57½	59½	59⅞	470	63	40
Do. pref.	7	3.33	..	..	..	..	..	213	142½
Canada Cement, com.	6	5.32	114	109	112	109	3838	117	90½
Do. pref.	7	5.98	117	114	117	116	298	117½	107
Cons. Rubber, pref.	7	8.23	..	..	..	..	..	90	85
Can. Gen. Electric, com.	.	....	..	..	..	..	..	55	53
Do. pref.	7	6.48	54½	50	54½	54	180	55⅛	50
Can. Indust. Alcohol	1.28	....	15¾	14½	15⅛	16	1505	20½	14
Canadaian Salt	8	5.53	150	139	150	140	829	150	112
Christie Biscuits, com.	.	....	57	57	57	58½	100	60½	31¼
Do. pref.	7	....	..	..	..	..	..	118	109½
City Dairy, com.	12	3.34	90	87	90	88	1412	90½	65
Do. pref.	7	6.48	..	..	..	..	..	110	104½
Crows Nest Coal	3	....	47	46	46	45½	15	49½	35
Cuban Can. Sugar, com.	.	....	6	6	6	6	76	10	5
Do. pref.	.	....	32½	32	32	32½	50	44½	31
Wm. Davies (A)	.	....	36	27¼	32¼	27¼	1091	36	24
Dominion Glass, com.	7	6.48	108½	108	108	109	75	116⅞	107
Do. pref.	7	6.19	112⅞	112⅞	112⅞	114	40	119	110¼
Dom. Canners, com.	7	5.22	136	118½	136	119	1664	136	56½
Do. pref.	7	6.19	113	113	113	110	10	113	95⅜
Dodge Bros., com.	.	....	..	..	..	..	..	30⅜	22
Do. pref.	7	8.51	..	..	..	..	..	83½	80¼
Dominion Stores, com.	1.00	....	56	54	55	54½	280	56	28
Do. pref. (A)	8	7.76	..	..	..	..	..	104½	97
Eastern Theatres, com.	.	....	..	..	..	..	..	14½	14
Do. pref.	7	....	..	..	..	..	..	76	70
Ford Motor	10	....	..	..	..	..	..	512	488
Gilman, com.	.	....	100½	100½	100½	101	5	101	80
Do. pref.	7	6.30	111	111	111	111	10	111½	100¼
Goodyear Tire, pref.	7	7.62	92	90¼	92	92	292	100½	90
Frontenac Brew., pref.	7	5.83	120	120	120	120	500	120	100
Holt, Renfrew, pref.	7	8.97	78	78	78	77	20	82	65
King Ed. Hotel	.	....	..	..	..	..	..	27	20
Lyall Construction	.	....	20⅛	18½	18½	22	90	29	11
National Brew., com.	.	....	53	52¼	52½	53	1878	68	41¼
Do. pref.	7	7.00	..	..	..	..	..	106½	98
National Brick, com.	.	....	13	15	15	15	205	18	15
Do. pref.	7	8.91	78¾	78½	78½	79½	60	79½	70
Pacific Burt, com.	6	6.66	90	90	90	90¾	32	96	90
Do. pref.	7	6.93	101½	101½	101½	101	3	107	101
Port Hope Sanitary, com	.	....	73	73	73	75	20	75	53
Do. pref.	7	....	100	100	100	92⅛	10	100	88
Pure Gold Mfg.	50c	....	26	25½	26	25¼	160	27	23¼
Rogers, Wm. A., com.	.	....	51¼	51	51	53	35	65	51
Do. pref.	7	7.77	90	90	90	90	10	95	88
Russell Motor, com.	.	....	33¼	34½	34¾	33½	150	35	24
Do. pref.	7	8.18	85½	85	85	83	48	86	74½
Sawyer-Massey, pref.	.	....	20⅞	13	19	13	136	20⅞	5
Sherwin-Williams, com.	6	4.80	125	125	125	125	50	130	115
Do. pref.	7	6.51	..	..	..	..	..	110	104¼
Sterling Coal	4	....	39½	39	39½	39	25	53	39
Tooke Bros., com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	..	..	..	..	..	62⅛	37
Tuckett Tobacco, com.	4	6.25	64	61	64	64¼	13	70	59
Do. pref.	7	7.00	100	99⅝	99⅞	99⅝	40	102¾	98¼
Woods Mfg., com.	.	....	..	..	..	..	..	33	20
Do. pref.	7	10.14	..	..	..	..	..	75	64⅞
Western Grocers	.	....	8	8	8	7½	60	11¾	4½
Trust and Loan—									
Canada Landed	10	5.26	95	95	95	94	25	97	80
Can. Permanent	12	5.91	203	202	203	202	19	209	190
Colonial Invest.	6	....	..	..	..	..	..	5	4
Hamilton Prov.	10	6.41	..	..	..	..	..	156	154
Huron & Erie	7	5.38	..	..	..	..	..	130	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	6.76	..	..	..	..	..	48	45
National Trust	12	5.33	225	225	225	225	2	225	210
Ontaril Loan	11	5.23	105	105	105	99	9	105	99
Real Estate Loan	7	8.04	..	..	..	..	..	88½	87
Toronto Gen. Trusts	12	5.60	214	214	214	212	1	214	208
Toronto Mortgage	10+1	6.04	..	..	..	..	..	92	87¾
Union Trust	7	8.23	..	..	..	..	..	85⅛	85⅛

Oil Companies

B.A. Oil	25	2+2	6.4	41	38¾	41	39	4098	41½	36½
Imperial Oil	25	25c	7.3	31½	30½	30⅞	31½	1721	34¾	27½
Inter. Pet.	5	25c	.90	24½	23⅜	24¼	35⅝	805	28	22¼
Cont. Oil	.	25c	1.00	23¾	23¾	23¾	24	97	29	22½

September Dividend Payments

Dividends	$ 9,487,840
Bond interest	10,645,940
	$20,133,780

Dividend Payments

Company —	Rate	Date	Amount
Belding Cort., pref.	1¾q	15	$15,142
Brazilian Tr., com.	1q	1	1,065,837
Can. Cons. Rub., pref.	1¾q	30	52,500
Cosgrave Brew.	1¾q	15	17,500
Crow's Nest Coal	1½	1	93,189
Confederation Life	5q	30	5,000
Dom. Radiator, pref.	1¾q	1	27,097
Fam. Play., 1st pref.	$2.00q	1	83,000
Hollinger Mines	1.6m	9	287,000
Imperial Oil	25c. + 25c. q	1	3,255,750
Imperial Tobac., com.	1½q	30	475,489
Do., pref.	3s	30	240,900
Inter. Milling, pref.	1¾q	1	38,500
Hamilton Theat., pref.	3½	30	14,000
Lake Shore Mines	5q	15	100,000
London Life	4q	30	4.000
Keeley Mines	8+4	15	240,000
Lake of Woods, com.	3q	1	105,000
Do., pref.	1¾q	1	26,250
Loblaw Groceterias	25c	1	18,000
Do., prior pref.	1¾q	1	9,357
Do., second pref.	3	1	7,110
McIntyre Mines	5q	1	199,500
Montreal Cottons, com.	1½q	15	45,000
Do., pref.	1¾q	15	52,500
Montreal Loan	3q	15	18,000
N.B. Power, 1st pref.	1¾q	1	17,500
Ogilvie Flour, pref.	1¾q	1	35,000
Ot. & Hull Pr., pf.	1¾q	15	26,250
Port Hope Sani., pref.	1¾q	1	4,364
Royal Trust	4q	30	40,000
Sher.-Williams, com.	1½q	30	60,000
Do., pref.	1¾q	30	59,937
Volcanic Oil	62c.q	10	53,875
West. Can. Flour	2q	15	57,500
			$6,850,227

Banks

Can. Nationale	2½q	1	137,500
Commerce	3q	1	600,000
Montreal	3q	1	897,501
Provincial	2¼q	2	67,500
Royal	3q	1	612,000
Toronto	3q	1	150,000
Union	2	1	160,000
Weyburn Security	2½s	21	13,112
			$2,637,613

q—Quarterly.
s—Half-yearly.
m—Monthly.

Bond Interest Due in September

Company—	Rate	Due	Amount
Abitibi Power	8	1931	$144,596
Algoma East. Rly.	5	1961	62,500
Alabama Tr.	5	1962	341,722
Bran.-Kend.	6	1939	26,370
Brompton Pulp	6	1939	24,876
Can. Salt	6	1934	9,420
Can. Steel Foundries	6	1936	48,255
B. C. Electric	4½	Perp.	284,383
Dominion Iron	5	1939	175,880
Dom. Sewer Pipe	6	1927	1,050
Dom. Textile	6	1949	155,160
Dunlop Tire	6	1927	3,258
Fraser Co.'s	8	1941	85,160
Elec. Develop.	5	1933	101,637
Hillcrest Collieries	5	1940	8,125
Lake Sup. Paper	6	1941	129,840
King Ed. Hotel	7	1944	30,562
Mont. Pub. Ser.	5	1942	78,812
N. B. Power	5	1937	45,700
N. S. Clay	6	1930	1,782
Ottawa L., H. & Pr.	6	1953	19,500
Ottawa Gas	6	1939	23,589
Que.-New Eng. Hydro	5	1942	74,200
South. Can. Pr.	6	1948	136,125
St. Law. Paper	6½	1944	81,250
Span. River Pulp	6	Ser.	38,190
West. Can. Flour	6	1928	16,564
Do.	6	1931	12,219
West Koot. Pr.	6	1940	31,053
Corporation Bonds			$2,191,768
War Loan	5	1937	2,254,172
Municipal	..	....	*3,400,000
Provincial	..	....	*2,800,000
			$10,645,940

*This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

New Issue

$800,000

Canadian Bakeries, Limited

(Dominion Charter)

First Mortgage Twenty-Year 6½% Sinking Fund Gold Bonds

Dated 1st September, 1925. *Due 1st September, 1945.*

Principal and half-yearly interest coupons (1st March and 1st September) payable in gold coin of Canada or its equivalent in lawful money of Canada at the holder's option at any office or branch in Canada (Yukon Territory excepted) of the Bank of Montreal. Bonds may be registered as to principal.
Denominations: $1,000, $500, $100

Provision is made for a cumulative yearly sinking fund of 1½% per annum, commencing 31st August, 1926.

Callable in whole, but not in part (except for sinking fund purposes) at the Company's option, on sixty days' prior notice at 110 and accrued interest, up to and including 31st August, 1930; at 107½ and accrued interest from 1st September, 1930, to 31st August, 1935, inclusive; at 105 and accrued interest from 1st September, 1935, to 31st August, 1940, inclusive; at 102½ and accrued interest from 1st Sepember, 1940, to 31st August, 1945, inclusive.
Trustee: The Royal Trust Company, Toronto.

CAPITALIZATION

	Authorized.	*Issued.*
First Mortgage Twenty-Year 6½% Sinking Fund Gold Bonds (this issue)	$ 800,000	$ 800,000
7% First Cumulative Sinking Fund Preferred Stock	1,000,000	1,000,000
7% Second Cumulative Convertible Preferred Stock	1,000,000	1,000,000
Class A shares without nominal or par value (full voting power)	20,000 shares	20,000 shares
Non-voting Class B shares, without nominal or par value, for conversion only of Second Preferred Stock on basis of 2 shares Class B for 1 share Preferred	20,000 shares	....

DIRECTORS (to be elected)

James Stewart, Winnipeg, Man., President,
President, Maple Leaf Milling Co., Limited.

W. C. Shelly, Vancouver, B.C., Vice-President and General Manager.
President Shelly Bros., Limited.

Fred. W. Riddell, Regina, Sask.
General Manager, Saskatchewan Co-operative Elevator Company, Limited.

O. J. Mayhew, Calgary, Alta.
Director, Shelly's Bakery, Limited.

D. L. Cameron, Vancouver, B.C.,
Director Maple Leaf Milling Co., Limited.
President Rat Portage Lumber Co.

E. R. Decary, Montreal, Que.
Vice-President, The Title Guarantee and Trust Corporation of Canada.

H. A. Ross, Victoria, B.C.
Manager, Western Offices, A. E. Ames & Co., Limited.

We summarize the information supplied by W. C. Shelly, General Manager, as follows:—

1. **PROPERTY**—Canadian Bakeries, Limited, will consolidate five established, successful companies, manufacturing bakery products, operating ten plants with a combined weekly capacity of 1,400,000 loaves of bread and an average weekly production of about 650,000 loaves of bread. The combined outputs and capacities of its individual plants will make Canadian Bakeries, Limited, one of the largest producers and distributors of bakery products in the Dominion. The plants are located at Vancouver, New Westminster, Victoria, and Nanaimo, British Columbia; Calgary and Lethbridge, Alberta; Moose Jaw and Regina, Saskatchewan.

The largest plant is in Vancouver, and is mainly of reinforced concrete, and its equipment, which is of the latest modern design, includes seven Peterson ovens and one gas-fired travelling oven, which are capable of producing 650,000 loaves of bread per week. This plant has recently been enlarged to take care of expanding business. The other plants are of substantial construction, and are all equipped with modern machinery adequate to their requirements, including ovens having a weekly capacity of 750,000 loaves of bread. Present equipment in all the plants is up-to-date, and capable of handling a considerably increased output without further capital expenditure.

In addition to the large bread production an important and profitable business is done in the manufacture and sale of cakes and cookies.

2. **BAKERY BUSINESS**—The products of the bakery business are daily necessities, and are consumed by the great mass of people. It is one of the few industries that thrives in bad, as well as in prosperous times. It is a business of quick turnovers, large volumes and cash or cash in advance of transactions. There is little accumulation of raw material, inventory losses are rare, and practically all of the output is disposed of each day, thus requiring a minimum amount of working capital.

3. **EARNINGS**—According to the certificate of Messrs. Clarkson, Gordon & Dilworth, the annual net earnings, after providing for depreciation and Government taxes, available for bond interest, have averaged; for 4½ years, ending June 30th, 1925 .... $200,827.50
(Over 3.86 times bond interest requirements.)
For six months ending June 30, 1925 .... 106,403.15
(At the rate of over 4 times bond interest requirements.)

Having regard to the increased efficiency and the reduction of operating expenses made possible through the combination now being effected, Mr. W. C. Shelly, the General Manager, estimates that the net earnings for the year ending August 31, 1926, after depreciation and Government taxes, should be at least $250,000.00
(Or 4.8 times bond interest requirements.)

4. **ASSETS**—As at 1st September, 1925:
Fixed Assets, including Real Estate, Plant, Machinery and Equipment, as appraised, after depreciation, by Canadian Appraisal Co. $1,964,055.92
Net Current Assets 235,000.00
Total Net Tangible Assets $2,199,055.92
(Over $2,748 for each $1,000 of bonds of this issue outstanding.)

5. **SECURITY**—The bonds of this issue will be secured by a first mortgage on all the fixed assets of the Company now being acquired, and will be a floating charge on the undertaking and all other assets, present and future.

The Trust Deed will provide that, while any of the bonds of this issue are outstanding, the Company shall not make any payment of dividends or purchase or redeem any of its capital stock which will reduce its net tangible assets, as defined, below $2,000,000, or reduce its net current assets, as defined, below $250,000.

The Trust Deed will provide that the Company shall maintain insurance payable to the Trustee on its buildings, fixed plant, machinery and equipment at full insurable value, as well as Use and Occupancy Insurance.

6. **MANAGEMENT**—The management of the business will be in the hands of Mr. W. C. Shelly, Vancouver, and others, who are widely experienced in the business, and who have been responsible for the success of the different businesses.

We have purchased and offer the above issue when, as, and if issued and received by us, subject to the approval of all legal details by Messrs. Blake, Lash, Anglin & Cassels, and as to titles by Senkler, Buell & Van Horne, Vancouver, B.C.; McLeod, Robertson, Smith & Co., Calgary, Alta.; and McKenzie, Thom, Bastedo & Jackson, Regina, Sask.

PRICE: 100 and accrued interest, yielding 6½%

We recommend these bonds as an investment.
Temporary bonds or certificates, we expect, will be ready for delivery on or about September 21st, 1925.
Orders may be telephoned or telegraphed to any of our offices at our expense.

A. E. AMES & CO.
LIMITED

FRASER DINGMAN & CO. **F. H. DEACON & CO.**

GREENSHIELDS & CO.

As all of this issue has been sold, this advertisement appears only as a matter of record.

The statements contained herein are based upon information whic h we believe to be reliable, although we cannot guarantee their accuracy

Pulp and Paper

LAURENTIDE EARNS $180,000 SURPLUS AFTER DIVIDENDS

Grand'Mère Newsprint Mill Has Good Record for Year

In one way the annual report of the Laurentide Company is of interest to every business man in Canada whether he is a shareholder in the company or not. It is a demonstration in the art of meeting changing conditions.

During the past year, the Laurentide Company has been running almost continuously on short time. It has been selling its product in a market that has been highly competitive for the first time in a number of years and has taken reductions in the market price. Yet its earnings have shown only a comparatively small decline, being little over an eighth below the previous year's totals. The satisfactory meeting of conditions was the result of widespread economies enforced at the company's plant and echoes of which have reached stock market circles from time to time during the year.

The Laurentide showing should prove even more encouraging to the holders of the newsprint shares than the Spanish statement which came out a few days before. Laurentide has had, even in the best of years, only a small margin over its dividend requirements, and it was feared that the changing conditions in the newsprint market might find the company in the position of earning its dividend with difficulty. As a matter of fact, the dividend was earned and a surplus of over $180,000 as well. This was achieved after liberal depreciation allowance.

The president, George Graham, Jr., reveals the fact that the company has still further added to its timber reserves. He states:

"Your directors have deemed it advisable during the past year to further increase the company's timber reserves, and feel that these reserves now stand at an amount, without wood from other sources, sufficient to supply the mills at their present rated capacity for some forty odd years. In addition to these reserves, they are going on with the reforestation programme, having transplanted this past year about six million trees.

"The management feel that one of the most important points to which the pulp and paper industry should give attention to-day is proper methods of logging cost accounting. Without such methods, earnings may mean nothing. Incorrect or inaccurate information as to the cost of wood encourages unintelligent competition and induces unjustifiable financing.

"The consumption of newsprint paper over the past year has been normal. The mills have been operated at about 93 per cent. of their full capacity. There is every indication that this normal rate of consumption will be maintained for the coming year, but there are no indications that it will be increased sufficiently to meet the development programmes of the industry. Therefore, your directors deem extreme conservation advisable."

Comparing the Year's Record

Operating profit for the year was $2,631,394, as compared with $3,058,350. Miscellaneous profits and income from investments brought the total to $3,061,663, as against $3,551,590 the preceding year. From this were taken the following deductions: Interest, $381,065; depreciation, $770,622, and dividends, $1,728,000, leaving a surplus for the year of $181,975, and bringing the total surplus to $2,289,131.

The following table shows a comparison of the profit and loss figures for the past three years:

	1925	1924	1923
Op. prof.	$2,631,394	$3,058,350	$2,732,455
Misc. prof.	38,711	85,489	49,435
Invest. inc.	391,557	407,751	386,107
Total inc.	3,061,663	3,551,590	3,167,998
Interest	381,065	318,876	424,998
Balance	2,680,598	3,232,714	2,743,000
Deprec.	770,622	1,148,189	753,896
Net prof.	1,909,975	2,084,524	1,989,103
Divs.	1,728,000	1,728,000	1,728,000
Surplus	181,975	356,524	261,103
Prev. surp.	2,107,156	1,750,632	1,489,528
P. & L. bal.	2,289,131	2,107,156	1,750,632
P. C. on cap.	6.6	7.2	6.9

Working Capital Up

Current assets are slightly lower at $11,417,137, while current liabilities are down nearly half a million at $4,110,410, leaving net working capital at $7,306,727, an increase of more than $400,000. Investments are somewhat higher at $5,258,552, as are accounts receivable, at $973,100. Cash and inventories are all lower, the former being shown at $8,793; logs and logging supplies at $4,199,935; mill supplies at $836,694, and miscellaneous merchandise at $140,061.

Among the current liabilities, the bank loan reduction is outstanding, it being down to $2,315,308 from $2,764,000. Accrued wages are only $73,269, as compared with $201,772. Bills and accounts payable, on the other hand, are up to $1,077,602 from $869,676. Unpaid dividends are $6,605.

The working capital position of the company at the ends of the past three fiscal years is compared in the following:

	1925	1924	1923
	$	$	$
Cur. asts.	11,417,137	11,484,245	10,615,562
Cur. liab.	4,110,410	4,592,103	4,511,045
Work cap.	7,306,727	6,892,142	6,104,517

An extensive review of Laurentide's record appears in the Pulp and Paper Section this week.

Kipawa Sulphite Plant Finds Markets Growing

MONTREAL.—The International Paper Company will expand the capacity of its Kipawa bleached sulphite mill to about 250 tons daily at a cost of between $1,500,000 and $2,000,000. The present facilities permit a daily production of about 170 tons.

The Kipawa mill originally cost $17,000,000 and is one of the most modern in Canada, nad was acquired by the International Paper Company when it took over the properties of the Riordon Company last spring. Operations have been conducted profitably since that time.

The bulk of the output of the Kipawa mill is shipped to the United States for use in the manufacture of paper and artificial silk. For some time it has specialized in the pulp which is to be used in the making of artificial silk in the United States, Europe and elsewhere in the world.

New Backus Mill Now Assured at Fort Frances

Citizens of Fort Frances, Ontario, by an almost unanimous vote, have endorsed the agreement with the Backus interests for an additional 150-ton paper mill there. Under the terms of the agreement, Mr. Backus will commence construction of this mill before October 1, and will have it completed and in full operation by December, 1926. The town has consented to a flat rate of $350,000 on the entire mill for a period of ten years. The additional mill will mean the employment of approximately four hundred men the year round. Concurrently with the erection of the paper mill, the power company proposes to develop the Seine River. This will mean the bringing into Fort Frances of approximately 25,000 horsepower. The expenditure on mill construction, Seine River power development, and electric transmission line, will be approximately $2,500,000.

Wayagamack Purchases St. Lawrence Surplus

From Our Own Correspondent.

MONTREAL.—The St. Lawrence Paper Mills is completing several additions and extensions to its plant in Three Rivers. These include a modern sulphite mill of 100 tons daily capacity. In the past, the company has purchased its sulphite requirements on the open market, and the object of these extensions is to make the plant a complete self-contained unit, well arranged and equipped with the best type of machinery.

The company's newsprint output consists of 150 tons per day, and for this output the sulphite requirements amount to between 35 and 40 tons It has been announced that all the surplus sulphite not required for the company's newsprint operations will be sold under contract to the Wayagamack Pulp and Paper Company.

Port Alfred Company Buys Newsprint Machines

From Our Own Correspondent.

MONTREAL.—The Port Alfred Pulp and Paper Company has booked its orders for two high speed paper machines and work on the machines themselves has begun.

Each of the machines is to have a width of 234 inches with a daily capacity of about 125 tons or 250 tons for both. It is expected that they will be built and ready for shipment early next year. The Port Alfred Company recently purchased a pulpwood tract of 1,500 square miles on the Peribonka River from the Province of Quebec for $900,000. Upon the completion of the deal, the company immediately prepared to build a new groundwood and newsprint mill.

Another New Paper Mill For New Westminster

From Our Own Correspondent.

MONTREAL.—William Gorman, for many years the Eastern representative of the Provincial Paper Mills, together with other interests, are negotiating with the City of New Westminster, B. C., for the establishment of a paper mill there. The interests behind the projects desire, and are asking for a site of about three acres and exemption from taxation for a number of years. If the negotiations are successful, a building of about 400 feet by 200 feet is projected; it would employ some 60 persons at first and eventually double that number. It is understood that the plant would not compete in any way with the Westminster Paper Mills, which have been established for some time, and turn out about 15 tons per day of toilet, tissue, medium weight wrapping and bags.

Backus Paper Project Has Much Opposition

From Our Own Correspondent.

MONTREAL.—There appears to have been a sudden change in sentiment in Winnipeg towards the E. W. Backus interests, who desire to erect a pulp and paper mill in the province of Manitoba.

Reports that E. W. Backus had made application in Ottawa for a lease of the Seven Sisters Falls on the Winnipeg River created a sensation at a meeting of the Winnipeg city finance committee. It was said that the application for the power site had been made in connection with the Backus application for timber rights in the province for the purpose of building a pulp and paper mill. Immediate action was taken by the finance committee and wires were sent to the Mayor of Winnipeg, R. H. Webb, who was in Ottawa, demanding that he urge the government to grant no leases to the Backus interests and vigorously protesting the lease of the power site under any conditions. At the same time the finance committee decided to call an emergency meeting of the city council of Winnipeg to rescind the previous motion passed in favor of the proposed Backus-Seamen pulp and paper mill.

The city of Winnipeg was strongly in favor of the project until the report came out that the Seven Sisters Falls would furnish the electrical power for the project. It was expected by the Winnipeg council that these falls would furnish the additional electrical power, to be used by the provincial and civic hydro electric enterprises in the future.

EDDY MACHINES SUCCESSFUL

MONTREAL.—It is understood that the new newsprint paper mill of the E. B. Eddy Company at Hull, P. Q., has proved very successful in its early operations. The newsprint machine is rated at 100 tons daily capacity, but it was not originally expected that it would produce much more than 60 to 65 tons each day during the first few months of operation. In the 12 or 13 weeks of production, the output from the machine has risen consistently and is now in excess of 90 tons daily.

SPANISH REPORT

The annual report of Spanish River Pulp and Paper Mills is reviewed at length in the special pulp and paper supplement, beginning at page 17.

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE -:- QUEBEC

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

MAPLE LEAF
INDUSTRIAL
ALCOHOL
HIGHEST QUALITY — BEST SERVICE
Ethyl Alcohol — Cologne Spirits
Denatured Alcohol (All Formulaé)
TRADE MARK
Canadian Industrial Alcohol Co., Limited
MONTREAL
Distributing Warehouses:
Montreal Toronto Winnipeg Vancouver

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinner's Fine Counts of Yarns

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices:
211 McGILL STREET
MONTREAL
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Public Utilities

BETTER FEELING FOR THE WINNIPEG RAILWAY COMPANY

What is Behind Improvement in the Price of the Stock?

WINNIPEG. — Labor members of the city council have been defeated in their effort to force one-man cars off the streets of Winnipeg, a motion calling for a conductor in addition to the motorman on every street car except those operating under special agreement being lost on a close vote. A. W. McLimont, vice-president of the Winnipeg Electric Company, had a letter before the council explaining a plan of operation and putting forth arguments in favor of the one man cars. Criticism had been made that there was not proper safety devices on the cars and he made it clear that the dead-man controlled safety device was being generally employed. On some lines one-man-two-men cars are being operated, a second man being taken on when the cars come into the central part of the city.

This is just another indication of the manner in which the company has been gaining ground with the Winnipeg public. A few years ago the city council could have been expected to take any step which would embarass the company's operation, particularly if it were dictated by the labor element.

It is because of this change in attitude on the part of the public and the promise of a division of the field with the Winnipeg Hydro, with elimination of competitive methods which have been destructive to both parties, that the stock of the company has recently improved to better than 50 from a low point of 24 last year. Before the war Winnipeg Electric common sold as high as 268.

The following summary of earnings and expenditures of the company shows the effect of varying business conditions, jitney competition, increased use of automobiles, and other unfavorable factors. The most prosperous year was 1920, when net earnings were $778,042, and the worst was 1918, when the net declined to $255,798:

	Gross	Operating taxes, etc.	Net
1916	2,188,183	1,582,972	605,211
1917	2,096,282	1,778,879	317,403
1918	2,293,606	2,037,808	255,798
1919	2,928,545	2,561,512	367,033
1920	3,697,299	2,919,256	778,043
1921	3,740,717	3,196,172	x544,545
1922	3,588,979	3,115,452	x473,527
1923	3,466,705	3,035,415	x431,290
1924	3,291,732	2,889,061	x402,671

x—After deducting additional depreciation as authorized by the Public Utilities Commission amounting to $79,693 in 1921, $88,614 in 1922, $97,724 in 1923 and $99,000 in 1924.

Alabama Bondholders Asked to Take Stock

Holders of the five per cent. first mortgages, 50 year, gold bonds of the Alabama Traction, Light and Power Company, issued under a trust deed dated March 1, 1912, made between the company and the Montreal Trust Company, as trustees, have been called to meet in Montreal on October 7 to approve the offer of the Southeastern Power and Light Company to issue in place of those bonds six per cent. gold debentures, series A, of the Southeastern Power and Light Company. Warrants provided for in the offer will entitle the holders to purchase shares of common stock of Southeastern Power and Light in the amounts and prices set forth in the offer recently published.

The bondholders also are asked to sanction the release of the whole of the mortgaged premises and discharge of the company and of the Southeastern Power and Light Company, as having assumed the same, from the whole of the principal and interest owing upon the bonds and from all other obligations under the deed of trust.

The new bonds, recently sold to Bonbright and Company in the amount of $10,000,000, and the issue to be converted or exchanged, amounts to $7,500,000.

Public Utility Earnings

CAPE BRETON ELECTRIC

	June, 1925	June, 1924	Increase
Gross earn.	$37,163	$50,537	*$13,374
Oper. exp. & taxes	36,105	44,694	*8,589
Net earn.	$ 1,058	$ 5,843	*$ 4,785
Int. charges	5,713	5,547	165
Bal. (For Res.)—(Retire. & divid.	†$ 4,655	$ 295	*$ 4,950
12 months ending—	June 30, 1925	June 30, 1924	Increase
Gross earn.	$600,300	$708,429	*$108,128
Oper. ex. & taxes	509,752	566,277	*56,525
Net earn.	$ 90,548	$142,151	$ 51,603
Int charges	68,670	68,103	566
Bal. (For Res.)—(Retire. & divid..	$ 21,878	$ 74,047	$ 52,169

* Decrease.
† Deficit.

WINNIPEG ELECTRIC

	July, 1925	1924	Incr.
Gross	$396,569	$385,472	$11,096
Op. Exp. & Taxes	308,667	314,051	*5,383
Net Earn.	$ 87,901	$ 71,421	$16,480
Seven montns ending July 31st			
Gross	5,243,903	$5,327,034	*83,131
Op. Exp. & Taxes	3,765,673	3,961,351	*195,677
Net Earn.	1,478,230	$1,365,683	$112,546

*Decrease.

BARCELONA TRACTION

July	1925 Pesetas	1924 Pesetas	Incr. Pesetas
Gross Earn. ...	6,539,975	5,925,807	614,168
Oper. Exp.	2,451,467	2,438,767	12,700
Net Earn.	4,088,508	3,487,040	601,468
Agg. Gross from Jan. 1st	50,118,038	45,855,259	4,262,779
Agg. Net from Jan. 1st	33,219,560	28,777,984	4,441,576

BRAZILIAN TRACTION

July	1925	1924	Incr.
Gross Earn	$2,560,132	$1,730,572	$829,560
Oper. Exp. .	1,169,342	725,332	444,010
Net Earn. .	1,390,790	1,005,240	385,550
Aggr. Gross from Jan. 1st	16,468,414	15,196,479	1,271,935
Aggr. Net from Jan. 1st	9,435,089	9,459,558	*24,469

*Decrease.

BARCELONA TRACTION

Reports of operations of Barcelona Traction continue to show improvement in earnings, but this is one of the stocks which has received little attention during the rising market this year; prices have shown a drifting tendency on a small volume of transactions. Recently London interest in the stock has been reported and there is a feeling in trading circles that if this is sustained and if the strong tone of the general market continues, Barcelona will make a better showing than it has for some months.

Brazilian Why Stock Steadily is Working Upward

For nearly two months past, as a result of persistent accumulation, Brazilian has been working steadily higher. The bulk of this accumulation is credited to interests in close touch with the company's position and is due almost certainly to better appreciation of the exceptional possibilities of the common stock—possibilities which are shared by few power and public utility stocks listed on the Montreal Stock Exchange, state McCuaig Bros. & Company, in a review of Brazilian.

Magnitude of System

Some idea of the scope of Brazilian's operations is given by the fact that its electric power and lighting systems serve a population of 1,956,000, its tramway lines a population of 2,573,000, it gas plants a population of 1,600,000, and its telephone lines a population of 6,395,000. It is consequently one of the most important power and public utility enterprises in the world.

The company's business has shown almost uninterrupted growth. However, in the last five years, the shareholders have not derived full benefit from its progress owing to the low level of Brazilian exchange, which has in that period averaged about 12 cents, as compared with a par of 32.40 cents. As only about a third of the company's receipts are payable in gold, net earnings were naturally very adversely affected by this state of affairs. Still, the increase in the company's business in that period was so considerable, as to practically offset this drop in exchange, with the result that last year's earnings in Canadian currency were exceeded by only one previous year, viz., 1919.

Favorable Outlook for Earnings

In the past three years, earnings on the common averaged about 6 per cent. The percentage shown on the stock last year, 6.62 per cent., does not, however, really afford a good measure of the company's earning power, as its receipts were reduced as the result of a strike at Sao Paulo. also subsequently by a military revolt in the same city, and, finally, by a drought which curtailed its supply of power. If it had not been for these abnormal occurrences it is probable that net earnings would have fallen not far short of 8 per cent. on the common, or twice the present 4 per cent. dividend. Net earnings so far this year have been again adversely affected by the continuance of the drought already referred to, but in spite of that, they should be somewhat larger than in 1924. Future power shortages in the Sao Paulo district will be obviated by a further large hydro electric development of 200,000 h.p. The first unit of this, which will have a capacity of 80,000 h.p., is expected to be in operation inside of a year. When this development is fully completed, the company's plants will have a combined capacity of not far from 500,000 h.p., which will be sufficient for its requirements for a number of years to come.

In the past the growth of the company's business has represented an annual increase of about one per cent. a year on the stock. With adequate power supplies and business in Brazil on the upgrade, there is no reason why this condition should not continue.

Exchange Situation Improving

Naturally the future, of course, of Brazilian exchange is of paramount importance. However, the consensus of opinion of conservative authorities seems to be that there is little probability of anything more than seasonal declines in the milreis, and that the prospects are favorable to a gradual recovery. In the annual statement, the president of the company makes the following significant reference to the exchange situation:

"The exchange value of the milreis hardly reflects the true state of the country. Doubtless the abnormal developments of the past two years and successive budget deficits over a period which have been met by additions to the currency, have been the cause of the prevailing weakness of the milreis, but the public wealth has been increased and is increasing, and this addition to the national capital must in due time be reflected in the value of the currency, which it is the policy of the present government not to further inflate."

Rising Tendency to Continue

In view of the steady improvement which has been taking place in the Brazilian trade and financial situation, it would seem not unreasonable to look for a rising tendency on the part of Brazilian exchange during the next few years. What this would mean to the company is best illustrated by the fact that every advance of a cent in the milreis means roughly one per cent. more on the common stock in Canadian currency. But we have already pointed out that the growth of the company's business is equal to about one per cent. a year on the common stock. As its present earning power is about 8 per cent., it is by no means unlikely that the stock will within a measurable period have an earning power of 15 per cent. This rate of earnings would permit the payment of dividends at the rate of 10 per cent. per annum and warrant a price of about 150 for the stock. For the foregoing reasons it is evident that few, if any, stocks of the same class listed on the exchange have equal possibilities of appreciation in value for a hold.

The recent strength and activity in the stock have been accompanied by reports of an increase in the dividend rate this year. While it is naturally difficult to obtain confirmation of this story, a higher distribution next year is regarded as practically certain, and the stock is evidently in the process of discounting this development well in advance. Brazilian has long been selling far below other power and public utility stocks of equal or even less merit, but its recent action suggests that increasing public recognition of its great potentialities will result in its selling in future on a materially higher plane than in the past. Perhaps the most concrete evidence of the strong position into which the company has worked is afforded by the fact that by the end of the present year approximately $80,000.000, equivalent to about $75 per share, has gone back into its properties out of earnings.

A Marked Improvement In the Profits of C.P.R.

From Our Own Correspondent.

MONTREAL.—A gratifying improvement is seen in the C.P.R.'s statement of earnings for the month of July.

The statement discloses the net earnings for the month were higher by over $1,000,000 as compared with July of 1924. This is the best showing which has been made for some time and, in conjunction with the improvement in the gross recorded so far in August in the weekly statements, suggests that the railway business has taken a turn for the better.

With the best five months of the year still to hear from, with the big grain crop in sight, with August already showing a big improvement in the gross, and with the ability of the company to reduce operating expenses when the occasion demands, the outlook for the 1925 showing of the C.P.R. is considerably improved when compared with the outlook of only a month ago.

The net earnings for the seven months ending July, show a drop of only some $1,500,000. The July earnings were the best since 1917 and was the best month which the company has had during this year, something more than the usual seasonal improvement having been experienced.

July	1925 $	1924 $	Increase $
Gross	15,188,048	14,883,677	304,371
Works exp. ..	11,799,172	12,544,115	*744,942
Net	3,388,875	2,339,561	1,049,313
Seven months	1925	1924	Increase
Gross	90,343,867	99,540,594	*9,196,726
Works exp. ..	79,157,346	86,810,947	*7,653,601
Net	11,186,521	12,729,646	*1,543,124

* Decrease.

THE FUNDING PLAN BEFORE CREDITORS

Atlantic Sugar's Plans Near Completion — Bank Loans Paid Off

From Our Own Correspondent.

MONTREAL.—It is understood that the Atlantic Sugar Refineries has reached a tentative agreement with its English creditors, whereby 20-year, 5 per cent. notes will be issued direct to the creditors for the amount of $3,000,000. The plan has yet to be ratified by the British interests and should it meet with their approval it would mean that the expenses incidental to the putting out of a bond issue would be precluded. The smaller creditors of the company would probably be paid off by the sale of some of the company's bonds which are now held in the treasury.

The Atlantic Sugar Refineries owes its creditors something over $3,000,000 caused by the big slump in the sugar market some years ago. Rumor after rumor has made its appearance with regard to the funding or the paying off of this debt. Stories have been printed which indicate that some of the creditors will be paid in cash, whilst others will take bonds. The latter is incorrect, for there is no reason to believe that any of the creditors would allow some of their number to obtain preferred treatment.

What Is Being Done

What is being done is simply that the management is endeavoring to arrange a plan whereby the creditors will take securities in Atlantic Sugar Refineries in full payment for their debts. Naturally the details of a deal of this nature take time to arrange and this is what is being worked out at present.

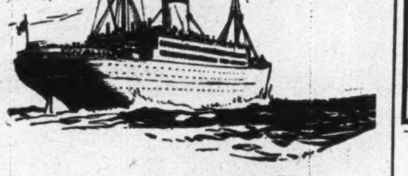
Since the close of the last fiscal year, the company paid off $1,360,000 in bank loans with the result that the $3,000,000, 6 per cent. second mortgage bonds that were held as collateral for this loan have been released and could be cancelled should the company desire to do so. If the financing plans indicated in the foregoing be carried out, the capitalization would stand as follows:

First mortgage bonds ...	$1,325,000
Notes	3,000,000
Preferred Stock	1,111,100
Common Stock	4,888,900

Present Operations

Regarding operations during the current year, the plant, which occupies a strategic position on the Atlantic seaboard, has been running at full capacity nearly all year to date, and the earnings, after allowing for full depreciation and interest charges are reported to have averaged better than $100,000 per month. Should the net profits reach, say $1,000,000, for the year, the arrears of preferred dividends and current dividends up to December, 1925, which would then amount to 35 per cent. could be paid, and in addition leave more than $500,000 applicable to the common stock. However, due to the financial position of the company, it seems extremely improbable the dividend arrears will be paid in full this year.

Provided that the old current debt to creditors be transferred from a current to a capital liability, the balance sheet on the basis of December 31, 1924, would only show a deficit in working capital of account of about $780,000. It certainly seems reasonable to suppose, therefore, that dividend action on the preferred stock will not be taken for some considerable time, as it would naturally be advisable to work the company up into a stronger working capital position before making any disbursements.



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THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)
July 31, 1925

Head Office MONTREAL

LIABILITIES

Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,143,806.90
Notes in Circulation	28,243,645.74
Deposits	498,210,093.96
Due to other Banks	16,219,858.85
Bills Payable (Acceptances by London Branch)	5,852,991.77
Letters of Credit outstanding	28,268,596.78
	$618,738,994.00

ASSETS.

Cash on Hand and in Banks	$101,717,711.50
Deposit in Central Gold Reserves	10,000,000.00
Government and Municipal Securities	90,595,534.58
Railway and other Bonds, Debentures and Stocks...	18,837,436.99
Call Loans in Canada	19,634,698.02
Call Loans elsewhere than in Canada	49,206,960.88
	$289,992,341.97
Loans and Discounts	283,355,172.63
Liabilities of Customers under Letters of Credit as per contra	28,268,596.78
Bank Premises	13,754,580.21
Real Estate other than Bank Premises	1,848,290.04
Mortgages on Real Estate sold by the Bank	500,012.37
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$618,738,994.00

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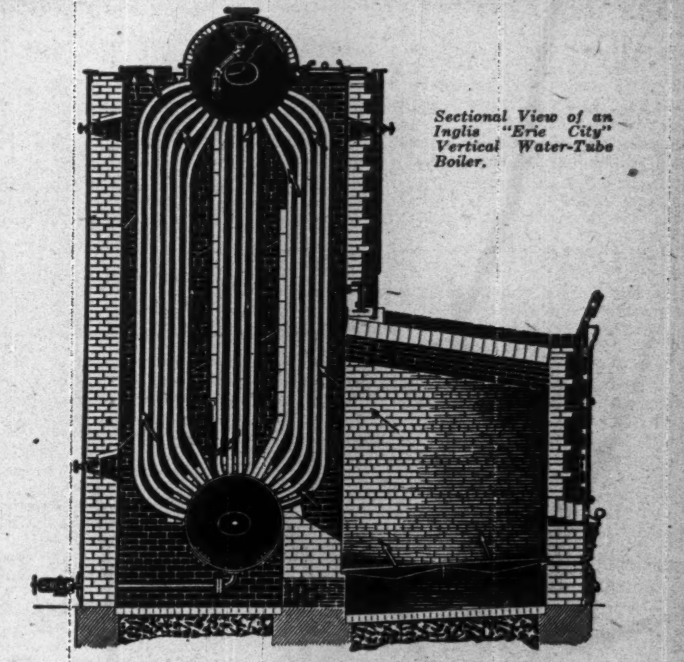

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News of the Mines for the Investor

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

INVESTORS THINK WELL OF FUTURE OF NORANDA MINES

Price of $530 Indicates a Valuation of Over $7,500,000 For Stock

With shares selling at $530 and higher, considerable attention is being attracted to the possibilities of the Noranda Mines. The amount of stock outstanding is said to be a few shares in excess of 14,200 shares of a total capitalization of 15,000 shares, par value $1,500,000. At a price of $530 the valuation of the outstanding shares would appear to be between $7,500,000 and $8,000,000. When it is taken into consideration that the equipment for the development of the mine will cost several millions it will be seen that a high potential value is being placed upon the property if shareholders are to benefit materially from their investments at present prices. However, it has been estimated that the first hundred feet will produce $15,000,000 to $20,000,000 and beyond that the speculative possibilities are regarded as attractive.

It is understood that Noranda is close to a reorganization under which the extremely valuable Horne property will be aggressively developed with a separate company to smelt the ores. Erection of a smelter has been practically decided upon and the definite commencement of railway construction from O'Brien to Rouyn means that large scale production at the Horne is not far in the future. Regarding the outlook for the property the Northern Miner prints the following:

Discussing recent developments at Noranda Mines, H. W. Chadbourne, one of the managing-directors, made the significant statement:

"Exploratory diamond drilling has been stopped, as we feel that when the ore already located by drilling has been developed underground to the 300-foot level, the ore reserves will be ample to supply the initial plant for many years."

Perhaps as important was a remark regarding deep level results. He said: "Before abandoning exploratory diamond drilling the management assumed itself of the existence of these ore bodies to at least a depth of considerably more than twice the present workings, and no evidence of limitation in depth was encountered in this deep drilling."

Drill hole No. 70, the one deep hole driven in the ore body area, cut at a vertical depth of approximately 700 ft. two sections of ore separated by a small horse of diabase. The first section assayed 7.87 per cent. copper and the second section 3.8 per cent. copper. The sections were 3.6 feet and 18.1 feet wide, respectively, and lie directly under "B" ore body.

The Noranda official stated that the development of the three main ore bodies, "A," "B" and "C," by drifts and crosscuts is practically complete at the 106-foot level. The estimates of ore reserves in these shoots, which were the major part of the estimate of $12,000,000 odd in the annual report, have been verified.

Confirmation of the Northern Miner's report of some weeks ago that 20 feet of high grade gold ore had been found, Mr. Chadbourne said that "The croscut from No. 1 shaft, which was driven northwest to cut the ore sections previously encountered in No. 42 and 48 drill holes, has unexpectedly cut 20 feet of high grade disseminated ore on the margin of a body of massive sulphides. The gold values in this 20 feet of ore are extraordinarily high and uniform. The average of ten channel samples was $44.34." In the annual report no value was assigned to ore in this area, as the amount of diamond drilling done was not sufficient to outline the ore bodies.

Second and third level work is progressing favorably.

Special Meeting Called

A special general meeting of the shareholders of Noranda Mines, Limited, has been called at Toronto, Tuesday, Sept. 8, for the following purposes:

(1) To consider and if deemed advisable to ratify, sanction and confirm By-law No. 17 passed by the directors on August 18, 1925, which provides for increasing the number of directors of the company from five to nine.

(2) If said By-law is ratified, sanctioned and confirmed to elect four new directors to hold office until the next annual meeting or until their successors are appointed.

(3) To consider and if deemed advisable to pass a resolution "authorizing the directors to delegate any of their powers to an executive committee consisting of not less than three to be elected by the directors from their number" or as may be amended by the meeting.

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Planning to Go Ahead On Porcupine Goldfields

Complete harmony now seems to prevail in the internal affairs of the Porcupine Goldfields Development Corporation. The return of Lord Gisborough to the board has encouraged belief again in the merit of the corporation's Ankerite property. It is noted that Grant Morden has not resumed his place on the board of directors of the corporation.

It is believed an early decision will be announced with respect to plans for mill construction. There is a substantial tonnage of $9 ore in sight, but it is generally known that the volume does not assure any particularly important degree of success. Rather does the future of the enterprise hinge upon the question of whether a larger body indicated by diamond drilling will measure up to expectations.

PETERSON LAKE

Peterson Lake has stopped underground work and will attempt nothing further in that line until financing is arranged. Before the pumps were stopped in the Little Nipissing workings that part of the mine considered of little prospective value was bulkheaded from the most promising part near the shaft. As most of the mine water was being made in the abandoned part officials believe that the expense of dewatering will be small when work is resumed.

Goudreau to Become Gold Producer Shortly

The Goudreau gold mining district will shortly make its debut as a gold producer. A small 50-ton mill is now equipped for operation and A. V. J. Selkirk, vice-president of the Goudrean mine says that before the snow flies a new cyanide plant will be treating 150 tons of ore daily. This plant will be capable of increasing its output to 400 tons daily. H. T. Leslie, for the past three years with the Dome, has just been appointed manager of Goudreau with a free hand.

Good Progress Made By Canadian Lorrain

Favorable results in development work at Canadian Lorrain Silver Mine property in South Lorrain have been accompanied by some activity in the market for the shares. In view of the greater interest being shown, the official statement by the management is of particular interest. The statement includes the following:

Number 10 vein at 350-foot level shows new ore shoot B 20 feet long averaging 47 ounces over 14 inches.

Vein No. 17 branching from No. 10 at the same horizon now developed for 48 feet.

Another new ore shoot E beginning No. 10, and continuing in No. 17 to present face, is now 61 feet long; it averages 470 ounces over 8 inches for first 38 feet and 5,250 ounces over 4½ inches for remaining 23 feet.

The face of ore shoot E, No. 17 vein, not yet assayed, but carried, approximately, 5,000 ounces over 3 inches, and in addition to high grade, the wall rock contains ruby and plate silver full width of drift.

Number 18 vein branching north from No. 17 not yet developed at all. This vein shows considerable silver at point of branching from No. 17.

Merritt Mines Secures Control of the Aberdeen

VANCOUVER.—On behalf of the owners of the old Aberdeen mine, situated in the Mamette lake district, about twenty miles from Merritt, a deal has been concluded by R. S. Lennie whereby control of the mine and equipment passes to Merritt Mines, Limited, Vancouver. This company is already operating the Vimy Ridge mine and other properties under a consolidation known as the Merritt Mines, Ltd.

Acquirement of the Aberdeen not only makes it possible for more economical operation of the old holdings, but adds to the group a property which has already proved its worth. The Aberdeen, up to 1919, when the war and the slump in the price of metals caused it to close, had produced $118,000.

LAKE MATACHEWAN

At a meeting of shareholders of the Lake Matachewan Gold Mines the proposal of the directors to form a consolidation of that company with the Powell Matachewan and Bloom Lake Mines was ratified. The capitalization of the three companies is $8,000,000, but the consolidated company, which will be probably known as the Matachewan Consolidated Mines, Limited, will be capitalized at $10,000,000, the $2,000,000 going into the treasury for development.

MURRAY-MOGRIDGE

A special general meeting of the shareholders of the Murray-Mogridge Mines, Limited, and the Mogridge Mining Company, has been called for September 8, to meet the holders of certain interim certificates issued by C. E. Jury, concerning Murray-Mogridge Mines, Ltd. An effort will be made to redeem and pay off the mortgage indebtedness of this latter company.

MINING STOCK QUOTATIONS

WEEK ENDING SEPTEMBER 1

	Par Value	Div. Rate	Yield	High for wk.	Low for wk.	Close Sept. 1	Close Aug. 25	Sales for wk.	Range 1925 High	Low
Apex	1	..	..	..	..	..	..	....	4	2
Algonquin	1	..	..	..	..	..	..	....	3	1
Argonaut	1	..	..	31	26	27	30½	62750	48	22½
Atlas	1	..	..	3	3	3	2¼	1000	5	2¼
Baldwin	1	..	..	2½	2¼	2⅜	2½	54200	7	2
Barry Hollinger	1	..	..	37	30	30	37	2800	50	37
Beatty	$1	..	..	1	1	1	1	1000	1¼	1
Beaver	1	..	..	33½	31½	31½	32½	12900	37	25½
Bidgood	1	..	..	6	5¼	5¾	4⅝	13500	16¼	4¼
Boston Creek	1	..	..	..	..	..	..	....	7	4½
Buckingham	1	..	..	2⅞	2⅛	2⅛	3	1000	5⅛	2¼
Can. Lorrain	1	..	..	58	42½	57	45	46458	58	23
Capitol	1	..	..	32½	29	31	32½	20700	37½	24
Castle Tre.	1	..	..	1.05	1.02	1.03	1.04	30551	1.10	71
Clifton	1	..	..	4¼	3½	4	4¼	22850	25¾	3½
Coniagas	5	..	..	..	..	..	..	....	2.30	1.45
Coniar'm	..	..	..	..	..	..	..	....	2.45	1.00
Col. Kirkland	1	..	..	4	3	3⅞	3¼	57400	10½	2
Cons. Smelters	25	6	1.2	121	119	120⅜	119¼	9493	124	48
Cons. W. Dome	1	..	..	14¼	13	13¾	14	135625	22	11
Crown Reserve	1	..	..	22	16	21	16	61100	54½	15¼
Davidson C.	1	..	..	..	..	..	..	....	5	2
Dome Mines	1	2	12.90	15.95	14.12	15.40	14.15	12174	16.50	12.90
Everett	1	..	..	8½	7½	7½	7⅜	126500	10	4½
Goldale	1	..	..	18	17½	17½	18	19600	22½	14¾
Gold Reef	1	..	..	1½	1¼	1¼	1¼	5000	1½	1
Hattie	1	..	..	1¼	1	1¼	⅝	15000	2¾	½
Hattie, pref.	1	..	..	6½	4½	5¼	4¼	91500	67	4½
Hillcrest, com.	1	..	..	..	..	..	..	....	80½	78½
Hollinger	5	20.80	6.8	15.10	14.85	14.90	15.00	3017	15.65	13.35
Hunton	1	..	..	5	5	5	4½	200	8½	4½
Indian	1	..	..	5	4¾	5	4¾	2000	17	4
Inspiration	1	..	..	..	..	..	..	....	10	7
Int. Nickel, com.	25	..	..	34½	33½	33½	35	365	35	24¾
Keeley	1	24	14.6	1.81	1.65	1.64	1.74	18932	2.32	1.65
Keora	1	..	..	15⅜	14¾	15⅛	14¾	90800	19½	9
Kirk. Lake	1	..	..	45¼	42½	42½	45¼	17300	50	35
Lakeside	1	..	..	4	4	4	4	6000	15¾	2¾
Lake Shore	1	20+5	3.8	6.35	6.25	6.29	6.40	2865	6.54	4.51
La Rose	1	..	..	42½	41	41	44	5591	55	7½
Lorrain	1	..	..	8¾	7¼	7¾	8½	51800	24	7¾
Lorrain T. L.	1	..	..	..	..	..	..	....	1.34	90
McKinley	1	..	..	22	21	22	22	17900	44½	15¾
McIntyre	5	20	5.3	19.30	19.05	19.15	19.35	8750	19.99	16.00
Mining Corp.	5	*12½c	..	2.68	2.65	2.67	2.60	8100	3.16	2.35
Moneta	1	..	..	14	14	14	14¾	1000	18¼	13
Newray	1	..	..	24	22	22	23	6700	28½	17
Nipissing	5	12+6	18.9	4.80	4.71	4.74	4.71	1090	6.80	4.65
Night Hawk	1	..	..	..	..	..	..	....	49½	23
Ophir	1	..	..	5⅛	4⅜	5⅛	4⅛	11800	7⅞	3
Peterson Lake	1	..	..	5½	5½	5¾	5¾	1000	12	5½
Porc. Crown	1	..	..	4½	3	4½	3	1600	8	3
Premier Gold	1	32	14.3	2.30	2.20	2.23	2.20	19800	2.58	2.00
Preston	1	..	..	9	7⅜	8	7⅜	83400	12	6¾
Teck Hughes	1	..	..	1.74	1.69	1.73	1.70	24195	1.80	1.23
Thomp. Krist	1	..	..	2	2	2	1½	1500	3	1
Timiskaming	1	..	..	18	18	18	16½	1000	30	15
Tough Oakes	1	..	..	42	38½	40	40	146100	45	20
Trethewey	1	..	..	..	..	..	..	....	22	16¾
Victory Silver	1	..	..	10½	9½	9¾	10	2700	31	5½
Vipond Cons.	1	..	..	1.21	1.18	1.19	1.18	19433	1.42	1.01
Wakenda	1	..	..	..	..	..	..	....	3½	1
Wasapika	1	..	..	..	..	..	..	....	3⅜	1
West Tree	1	..	..	3	2¾	3	2¾	2500	5	2
Wettlaufer	1	..	..	3¾	3½	3½	3½	33500	16	3½
Wright-Har.	1	20	3.9	5.15	5.05	5.10	5.15	700	5.25	4.15

*Interim paid July.

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SILVER AND OTHER METALS

August	27	28	31	Sept. 2
Silver—				
London (d.)	—	32 9/16	32⅞	32⅞
New York	71¼	70⅞	71¾	71¾
Copper	14⅞	14¾	14¾	14¾
Lead	10.00	10.00	10.00	9.75
Zinc	7.62	7.60	7.60	7.62

Noranda
Is it destined to Surpass Hollinger?
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An outline of the history of the company and an analysis of its present position is featured in the new issue of Gibson's Fortnightly Mining Review.
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Current Events in Banking World

BANK MANAGERS WATCHING WHEAT POOL CAREFULLY

Advantages May Prove Greater Than the Disadvantages

The operations of the wheat pool in Western Canada have had a far-reaching effect on the business situation, and the whole development has been of great importance to the branch bank manager — quite as much, if not more, than in the case of head office officials. And so far as I could find, from inquiries made during a recent tour of the prairie provinces, the experience of both head offices and branches has been somewhat similar; they at first regarded the pool with misgiving, if not actual apprehension, as a disturber of prevailing conditions and credit systems, but have come to the conclusion that there is compensation for whatever adjustments are being necessitated in the stability created in business in general.

When the plan was first mooted, it was generally regarded with disfavor by the banks and other loaning institutions, and those merchandising companies working on a credit basis. When are we going to collect our money, if it is paid in dibs and dabs? they asked. But experience so far has largely overcome this objection. It has been found possible to schedule obligations in relation to the pool payments, and while the opportunities for the early birds to get "theirs," while others go without are not so plentiful, obligations on the whole are being, perhaps, even better taken care of and more judgment is being displayed in the spending of money.

Under the system of free marketing of grain, the wheat farmer gets his whole year's income at one time. He is called upon to pay his debts all at once. If there is enough, well and good for the creditors; otherwise it is first come, first served. Then there is a tendency, too, to spend any balance immediately—often it is spent extravagantly; or money may be spent recklesslessly in order to get rid of it before the collectors come round. The result is that there is often one "grand splash," and for the rest of the year the farmer is trying to do business on loans from his bank, or on credit of some other form.

Under the pool the farmer's income is spread over a considerable period. He begins to budget his money. And the creditors find it to their advantage to help him with his budget. It may mean that they will have to take payment for their accounts in installments, but that in the long run is likely to prove more satisfactory than the haphazard method of trying to grab all when the farmer sells.

Altogether, the pool experiment is being watched with a great deal of interest by the branch managers. Like other business men, they have not the answer from the economic standpoint as to the ultimate success of the trial of a very interesting theory in co-operation, but there is a very general opinion that the effect of the pool so far has been to create a confidence on the part of the farmers in their ability to get a fair price for their crop which is having a salutory effect in bringing about trade and financial stability.—J. W. T.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Aug. 28, 1924	Aug. 27, 1925
Halifax	$ 2,310,377	$ 3,497,191
St. John	2,123,077	2,602,214
Moncton	813,506	783,067
Sherbrooke	751,622	842,076
Quebec	5,069,481	5,033,757
Montreal	86,605,525	94,103,882
Ottawa	4,737,444	5,383,529
Kingston	542,879	648,616
Peterboro	771,031	605,958
Toronto	89,163,963	79,053,856
Hamilton	4,568,121	4,724,329
Brantford	732,879	789,506
London	2,377,322	2,203,733
Kitchener	739,450	974,538
Windsor	3,313,467	3,244,588
Total, East	$204,620,144	$204,530,840

WESTERN CITIES

	Aug. 28, 1924	Aug. 27, 1925
Fort William	$ 660,403	$ 588,728
Winnipeg	40,726,252	30,453,634
Brandon	602,482	608,055
Regina	2,428,209	3,279,853
Saskatoon	1,314,816	1,616,523
Moose Jaw	994,271	948,120
Prince Albert	251,316	289,589
Lethbridge	447,218	432,253
Calgary	4,465,772	5,998,837
Edmonton	3,665,094	4,236,327
New Westminster	536,504	519,623
Vancouver	14,165,424	15,346,570
Victoria	1,618,347	1,971,608
Total, West	$71,876,108	$66,348,719

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Aug., 1924	Aug., 1925
Halifax	$ 13,525,484	$ 11,903,337
St. John	12,443,344	10,752,917
Moncton	3,170,251	3,286,244
Sherbrooke	3,377,539	5,140,166
Quebec	22,466,686	24,270,570
Montreal	408,789,740	411,042,747
Ottawa	24,827,634	24,324,531
Kingston	3,017,282	3,084,358
Peterboro	3,205,660	3,084,358
Toronto	375,771,153	343,284,000
Hamilton	20,265,056	20,341,525
Brantford	3,306,432	3,760,290
London	10,553,258	10,027,688
Kitchener	3,403,072	3,963,933
Windsor	14,822,053	15,094,424
Total, East	$922,944,644	$893,331,088

WESTERN CITIES

	Aug., 1924	Aug., 1925
Fort William	3,316,799	3,079,665
Brandon	2,429,193	2,839,572
Regina	12,376,873	16,135,810
Saskatoon	6,620,972	7,844,492
Moose Jaw	4,063,288	4,479,660
Lethbridge	2,087,381	2,414,844
Calgary	20,760,589	27,765,568
Edmonton	15,898,635	19,537,407
Medicine Hat	1,187,608	1,876,608
New Westminster	2,524,831	2,696,922
Vancouver	67,847,510	68,850,111
Victoria	10,167,457	8,858,386
Total, West	$149,281,136	$166,369,045
Total	$1,072,225,780	$1,059,700,133

UNION DIRECTORS ON ROYAL BOARD

MONTREAL.—In the absorption of the Union Bank by the Royal the following directors of the former have been added to the board of the combined institution: W. R. Allan and R. T. Riley of Winnipeg; Stephen Haas, Toronto; John H. Price, Quebec; W. H. Malkin, Vancouver.

Mr. Allan, former president of the Union Bank, is senior partner in the firm of Allan, Killam and MacKay. Mr. Riley is president of the Northern Trust Company. Stephen Haas of Toronto is president of George H. Haas Son and Company Limited, John H. Price, Quebec, is president of Price Bros. and Company, Limited. W. H. Malkin of Vancouver, is head of the Wholesale Grocery Co. of W. H. Malkin & Co., Ltd.

The fact that Toronto, Quebec, Winnipeg and Vancouver are given additional representation is in keeping with the policy of the Royal Bank to have committees of its board in all important sections of the country.

J. W. Hamilton, late general manager of the Union Bank of Canada, has been appointed as assistant general manager with headquarters at Winnipeg. With an assistant general manager and committee of six directors at Winnipeg the bank is particularly well equipped to handle western business. This arrangement should be particularly gratifying to customers of the bank in the three prairie provinces, where the Union Bank was so largely represented.

Staff Gossip

Bertson Auty of the Bank of Montreal staff here has been transferred to the Peel St., branch, Montreal.—Freeholder, Cornwall.

* * *

James Fenton, teller at the local Bank of Montreal for the past two years, has been transferred to the Namayo Ave. branch at Edmonton.—News, Viking.

* * *

A. S. Wilkinson for nine years manager of the Galt branch of the Union Bank has been notified that he has been appointed manager of the branch of the Royal Bank at Welland.—Reporter, Galt.

* * *

I W. Tieman, who has been teller in the Chesley branch of the Bank of Commerce for the past year and a half, has left for the bank's branch in Midland where he has been transferred.—Sun Times, Owen Sound.

* * *

C. L. Cadger, of the Canadian Bank of Commerce staff has been transferred to the branch at Dunnville. During the time Mr. Cadger has been with the local branch he has made a host of friends in town and has taken an active interest in the tennis club and other organizations.—Herald, Hamilton.

* * *

Thomas P. Peacock, manager of the Royal Bank, has left the city to take up his new post with the bank at Hamilton, Ont. B. L. Mitcell, his successor at the Vancouver office has entered on his new duties here. Recently about sixty of the business men of the city entertained Mr. Peacock to a farewell banquet and presented him with a gold watch as a token of their regard.—Province, Vancouver.

* * *

Promotion of William McDonnell to assistant district superintendent of Ontario for the Bank of Montreal has just been announced. Mr. McDonnell, who terminated 10 years' service with the Bank of Montreal in this city some six months ago, when he was transferred to Toronto, has a wide circle of friends in Winnipeg who will greet his promotion with satisfaction. Mr. McDonnell was promoted from manager of the bank's Moose Jaw branch to assistant manager of the Winnipeg main office in 1915. Later he was appointed inspector of the western division, which office he held at the time of his transfer to Toronto.—Tribune, Winnipeg.

* * *

One of the best known younger banking executives of Winnipeg, G. V. Pearce, has been promoted from the assistant managership of the McDermot Ave. branch of the Canadian Bank of Commerce to the manager of the bank at Fort Frances, Ont. Mr. Pearce went to the Portage and Carlton branch of the Bank of Hamilton eight years ago, and was later placed in charge of the Bank of Hamilton branch at Portage and Garry. Since 1921 he has been assistant manager of the main office of the Bank of Hamilton, and remained in that position after this institution was absorbed by the Canadian Bank of Commerce.—Free Press, Winnipeg.

IMPERIAL BANK

The Imperial Bank has opened a branch at the Toronto Exhibition, under the management of J. W. Willis.

EMPIRE TRADE POLICY EXPANDS OUR EXPORTS

Germany, Russia and Scandinavia Also Have Materially Increased Their Purchases From Us

An increase of 2.5 per cent. in exports, a decrease of 3.8 per cent. in imports and an improvement of 27.6 per cent. in the trade balance is the record made by Canadian trade for the twelve months ending with July 31 as against the previous twelve months. Exports amounted to $1,093,165,663 against $1,066,305,260 for the same period last year. Imports were $817,757,042 against $850,472,013.

The advantages of trade treaties within the Empire are shown in the large increase which took place in Empire trade. Exports of Canadian products to other parts of the Empire during the period under review increased by about $17,000,000 while Canadian imports from elsewhere in the Empire rose $5,000,000. Canadian exports to the United Kingdom alone increased by about $20,000,000.

The largest increase in exports to foreign countries was in the case of Germany which country took $32,438,268 worth of goods against $17,941,018 last year and $10,641,642 the previous twelve months. Shipments to Russia also showed a very material rise, from $56,269 to $14,517,263. Goods sold to the Netherlands increased from $8,902,430 to $17,210,594. The figures for exports to France show a material falling off, from $17,173,782 to $8,367,042. Apparently the French official figures for imports from Canada are at variance with these returns, as discussed elsewhere in this issue. Brazil's imports have risen substantially during the period.

Turning to products, the most significant increases were in the case of butter, exports of which doubled, livestock, fish, lead, flour, meats and seeds.

FOR HOME BANK DEPOSITORS

The banks are this week distributing to the depositors in the defunct Home Bank the $1,000,000 voted by the Dominion Government. When this $1,000,000 is paid out, Home Bank depositors will have received $4,750,000. The previous payment was an initial dividend of 25 per cent. to all depositors. Another 10 per cent. may be realized from the assets.

BANKER RETIRES

After 48 years' service Alexander Drummond is retiring from the staff of the Standard Bank of Canada. He entered the bank as a junior clerk at Colborne in 1877. He served at various Ontario branches and was steadily promoted from one position to another, and finally entered the main office in Toronto in 1882. Mr. Drummond's rise in the service of the bank was consistently steady. He joined the inspection department as inspector in 1907, and finally received the appointment to the important post of chief inspector of the bank, which position he held at the date he retired.

Presentation was made to Mr. Drummond by the head office staff, who thus marked their regret at his withdrawal. Mr. Drummond was presented with a gold-headed cane and a Drummond tartan motor rug.

A. H. Houston, who has been attached to the service since 1896, succeeds Mr. Drummond as chief inspector.

WHEAT CUTTING IS PROGRESSING WELL

Will Be Well Completed in Saskatchewan by the Middle of September

From Our Own Correspondent.

REGINA.—With favorable weather prevailing wheat cutting will be completed in all portions of Saskatchewan, with the exception of the northern districts, by the early part of the second week in September, according to telegraphic reports received by the statistics branch of the department of agriculture. Threshing has been commenced in all districts and will be general in the south about September 7. Showery and unsettled weather has caused delay in the north. Fall rye is yielding well over the province as a whole, although eighty per cent. was winter killed in the Bradwell district. Considerable loss has been sustained in the southern half of the province by rust, being especially severe in the extreme south east. Fairly heavy damage is also reported in the central and east central districts from the same cause. Practically all parts have had light frosts, but no material loss has resulted. Injury is also in evidence from hail, drought and sawfly. Showers have fallen pretty generally over the entire province, being sufficiently heavy in some places to halt harvesting operations. The heaviest fall occurred in the western and south-western part centring on August 23. Ideal weather for harvesting is reported in the Regina-Weyburn district. Pastures are rapidly drying out in the southern and western portions of the province, but are holding up well in central and northern districts. The livestock generally are in good condition.

Exchange

An unprecedented number of tourists from the United States, and the increasingly favorable balance of trade, especially with the States, are the leading factors in the maintenance by Canadian funds, of a position from 1/32 to 1/16 above the United States dollar, an unusual situation at this time of year. There is every prospect of an increase in this premium when grain shipments commence seriously.

The improvement in the Brazilian milreis is a feature of the week's exchange market. Another new high of 12.84 cents has been established. Last year at this time the milreis was quoted at 9.87 cents.

NEW YORK EXCHANGE

	High	Low	Last Year High	Last Year Low
Aug. 27	x1-32	x3-64	+1-32	Par
Aug. 28	x1-16	x5-64	Par	x1-64
Aug. 29	x1-16	x5-64	Par	x1-32
Aug. 31	x1-16	x1-16	x1-32	x1-32
Sept. 1	1-16	1-16	Par	x1-32
Sept. 2	1-64	3-64	Par	Par

xDiscount. +Premium.

STERLING, FRANCS AND LIRE

	Demand Sterling	Demand Francs	Demand Lire
Aug. 27	4.85¼	4.69½	3.74
Aug. 28	4.85⅛	4.69½	3.75¾
Aug. 29	4.85 3/16	4.69¼	3.76
Aug. 31	4.85 1/16	4.69	3.76¾
Sept. 1	4.85	4.69¼	3.86¾
Sept. 2	4.84 13/16	4.68¼	3.96

Geo. R. Gray, President of Fort William Paper

Geo. R. Gray, of Sault Ste. Marie, was elected president of Fort William Paper Company, Limited, at a meeting of the Board of Directors. Mr. Gray succeeds Col. Thomas Gibson, who died late last winter. W. N. Hurlbut, of Dayton, Ohio, was elected to the board to fill the vacancy and also take the vice-presidency vacated by Mr. Gray. The other vice-presidents are: P. B. Wilson and C. H. L. Jones, of Sault Ste. Marie, and the directorate includes Geo. H. Mead, of Dayton, who is chairman of the board, Sir Herbert Holt, J. S. Norris, T. H. Watson and N. M. Paterson. The company operates its newsprint mill at Fort William, Ont.

MUNICIPAL BANKERS CORPORATION — DOLLAR FOR DOLLAR BONDS — A Symbol of Safety

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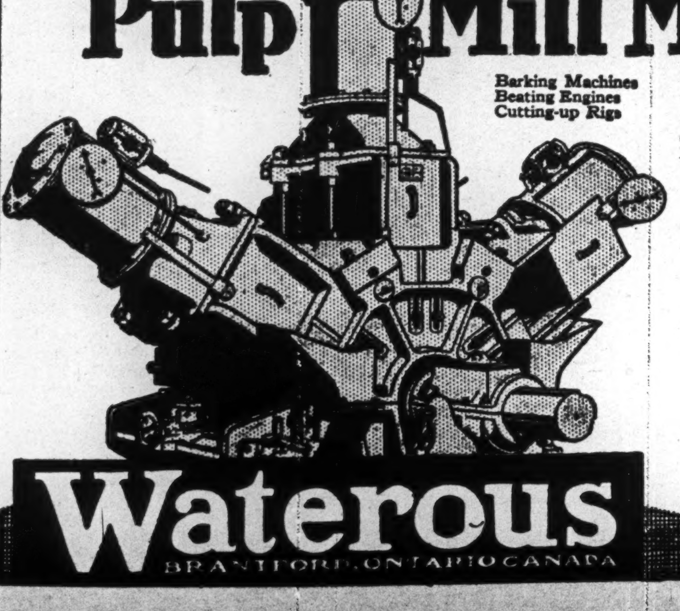

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BRANTFORD, ONTARIO, CANADA

12

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid up capital Stock of this Institution has been declared for the quarter ending 30th September, 1925, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of October, 1925, to shareholders of record of the 19th September, 1925.

By Order of the Board.

C. A. BOGERT, General Manager.

Toronto, 27th August, 1925.

Glasord Mining Corporation Limited

If you are looking for an opportunity for profitable investment, where the return on monies invested is enormous, and where all the gambling risk has been eliminated, it will be to your advantage to write us without delay. We are offering a mining stock of unusual merit, at the ground floor price of 25c. This stock will advance in price per share, par value $1.00, non-assessable during the next 60 days. For particulars, write

GLASORD BROKERAGE, 417-18-19 Vancouver Block, Vancouver, B.C.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Preference Stock Dividend No. 62

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 30th day of September, 1925, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of October, 1925, to Shareholders of record at the close of business on the 12th day of September, 1925.

By order of the Board.

W. H. NESBITT, Secretary.

Toronto, August 17th, 1925.

The Wabasso Cotton Company, Limited

Dividend No. 31

NOTICE is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 30th September, 1925, payable on the 2nd of October, 1925, to Shareholders of record at the close of business on the 15th of September, 1925.

By Order of the Board,

JAS. R. RITCHIE, Secretary-Treasurer.

Montreal, P.Q., August 13th, 1925.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

Notice is hereby given that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this Bank and will be payable at its Head Office, in this City, on and after Thursday, October first next, to shareholders of record, Tuesday, September fifteenth next, at three o'clock p.m.

By order of the Board,

A. P. LESPERANCE, General Manager.

Montreal, August 25th, 1925.

SOUTHERN CANADA POWER COMPANY LIMITED

Dividend No. 23

A DIVIDEND of One and one-half per cent (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending September 30th, 1925, payable October 15th, 1925, to shareholders of record September 25th, 1925.

By order of the Board,

L. C. HASKELL, Secretary-Treasurer.

Montreal, August 28th, 1925.

Dominion Textile Company Limited Notice of Dividend

A Dividend of One Dollar and Twenty-five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending September 30th, 1925, payable 1st October, to shareholders of record September 15th.

By order of the Board.

JAS. H. WEBB, Secretary-Treasurer.

Montreal, August 25th, 1925.

CANADIAN WOOLLENS, LIMITED

Notice of Annual Meeting Sixth

Notice is hereby given that the Annual General Meeting of the Shareholders of Canadian Woollens, Limited, will be held at the Head Office of the Company, McDonnell Street, Peterboro, Ontario, on Tuesday, the Fifteenth (15th) day of September, 1925, at the hour of 1.30 o'clock in the afternoon (Standard time), for the purpose of receiving the report of the Directors for the past year, and for the election of Directors, for the appointment of Auditors, and to transact such other business as may be properly brought before the meeting.

Dated at Peterboro, the 29th day of August, 1925.

WM. TINKER, Secretary-Treasurer.

Canada Province of Quebec City of Hull District of Hull

OFFICIAL CALL FOR TENDERS

Public notice is hereby given that the Council of the City of Hull, will receive from now until four o'clock p.m., Tuesday, the 8th day of September, 1925, at the office of the undersigned, to be taken into consideration by the City Council at eight o'clock in the evening or immediately after such hour as soon as the council will be ready for the opening of the tenders, written tenders for the purchase of $142,000.00 debentures of the City of Hull, with coupons attached for interests, issued for local improvements as sewers, sidewalks, pavements, waterworks, implements, etc. Said issue of $142,000.00 namely 142 debentures of $1,000.00, being a portion of the total issue of $650,000.00 authorized by the By-Law No. 246 of the City of Hull. Said debentures and interests are payable at the branches of the Provincial Bank of Canada, in Montreal or in Quebec or at the City Treasurer's Office in the City of Hull, Que.

Debentures dated, 1st November, 1924. Maturing 1st November, 1945.

Interest 5% payable semi-annually on the 1st of May and November each year.

An accepted cheque representing one per cent. of the issue must accompany each tender. The cheque accompanying such tenders which will not be accepted shall be returned immediately.

All tenders must mention if the price includes or not the accrued interest on the coupons at the time of delivery from the 1st of November, 1924. They shall be under seal with the indication "Tenders for debentures" and addressed to the "City Clerk, Hull, Que."

Delivery of said debentures shall be made at the City Treasurer's Office at Hull, Que., or through a chartered bank in the City of Hull or in the City of Ottawa, as may be desired by the successful bidder.

The present issue has received the approval of the Lieutenant-Governor in Council of the Province of Quebec, on the 30th day of December, 1924, and the debentures are signed by the Deputy Minister of Municipal Affairs of the Province of Quebec.

The City Council does not bind itself to accept the highest, or the lowest, of any of the tenders.

GIVEN at the City Hall in the City of Hull, on this 15th day of August, 1925.

H. BOULAY, City Clerk, Hull, Que.

THE FINANCIAL POST

Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Editorial Director—F. S. CHALMERS
Editor—J. W. TYSON.

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The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulation, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, SEPTEMBER 4, 1925

WHY THE DISCREPANCY?

PERIODICALLY one of those countries to which Canadian goods are exported, voices the protest that the Canadian official trade statistics do not give them adequate credit for the volume of goods purchased from us. Their figures for imports from Canada are greater than our export figures. Only recently the Swiss Government made such a protest through its Canadian representative. The most recent case is that of France, and in this instance there is a rather grotesque variation between the returns.

Since a country is primarily interested in the collection of custom duties, in compiling import statistics, the figures are very likely to be accurate. We could safely assume, at least, that they would not be overestimated. Assuming the French figures to be approximately correct, one is at a loss to explain the error in our own. There is always the possibility of goods being shipped to France by way of the United States, and classed as exports to the States in our returns, while the country of origin must be ascertained in France in order to determine the duty. This may explain a part, at least, of the error. But an explanation is not satisfactory to business. It is essential that we know where our goods are going, and with whom we are trading.

There is evidently some lack of coordination between the government departments. The Bureau of Statistics is not responsible since they merely compile and pass on the figures of the Customs Department. The latter department is not vitally concerned with the question of the destination of exports. And the net result is that business has to be satisfied with figures, the accuracy of which they are inclined to question. It is urgent that provision be made for an accurate and complete statement by shippers of the destination of their goods, and that this information be made accessible to the Bureau of Statistics.

WORK FOR ASSOCIATION

IT HAS frequently been urged by The Financial Post that the Canadian Manufacturers Association has a great opportunity in providing leadership in the solution of trade and industrial problems in the interest of the public as well as for the benefit of its members. A great deal more is likely to be accomplished in this direction—in developing new markets, in reducing costs of distribution, in eliminating waste and in other ways bringing about greater efficiency in production and in marketing—than in discussing controversial issues like the tariff, particularly if the impression has been created that the C.M.A. favors protection for the benefit of its members rather than in the interest of the public.

In England the Federation of British Industries has been doing a great work in dealing with the problems of British manufacturers in maintaining Great Britain's trade position at home and abroad. The following from a recent bulletin describes how one question has been dealt with by coordinating the efforts of various technical bodies and effecting an arrangement which redounds to the benefit of British trade as a whole:

> It appears that in many parts of this country of recent years great carelessness has been shown in the flaying of sheep skins. A conservative estimate puts the annual loss resulting from the faulty methods prevailing in British flaying at not less than £500,000 a year.
>
> As a result of the Federation's activities in this direction, the National Federation of Meat Traders is being invited to include instruction in flaying in their excellent scheme for technical training and also to make proficiency in this subject part of the qualifications for certificates and diplomas issued in connection with the scheme. Both the Tanners and the Curriers' Federations have also agreed to co-operate with the National Federation in order to carry out general propaganda amongst butchers and meat salesmen in the localities where inefficient flaying is reported.

This is not intended as a suggestion that the Canadian Manufacturers Association should study sheep flaying but there are many non-controversial questions in this country which might be made the subject of similar study by trade and business organizations in the interests of their members and of the public.

REPLACE THE TREES

CALLING for the curtailment of forest waste in various forms—such as destructive logging methods, forest fires, etc.—the substitution of other materials for wood and a sound policy of reforestation, as practical methods to insure a future supply of wood and wood products in the United States, the Guaranty Trust Company, of New York, points out that less than one-third of the original supply of timber in the United States remains. The original stand estimated at 8,200 billion board feet has been reduced to about 1,600 billion feet and this supply is being drawn upon at the rate of about 25 billion feet annually, offset by an annual growth of approximately 6 billion feet. Intensive methods of forestry are urged in order to bring the annual growth up to annual consumption.

From the experience of the United States there is a great deal that Canada can learn. This country has been wasting her forest heritage just as her neighbor did in past decades. By adopting now the policies which are being recognized as imperative in the United States Canada cannot only insure a supply of timber products for her own needs for all time but can maintain an annual output from her forests which will permit of exportation of such products on a large scale. The higher proportion as finished articles the better.

Canada's forests are one of her greatest assets and with effective methods to reduce fire loss, to increase reforestation and to prevent exploitation a constant source of national income can be maintained. It is only by the business-like administration of such resources that this young country can face the problem of her national debt with assurance.

ARE RAILROADS APPRECIATED?

THE difference between the attitude of farmers who are wanting to have a railroad built to haul their crops and the attitude of farmers who already have railroads serving their needs, is strikingly illustrated by the two news dispatches which follow:

> GREAT FALLS, MONT.—Because they needed railroad facilities to move their wheat crop, 800 farmers living along the Canadian border in Montana have become stockholders in the Great Northern Railway Company to the extent of more than $250,000. That was the pledge of support they extended the company in order to get it to construct a 50 mile extension westward from Scobey, which in years past claimed the distinction of being the largest initial wheat market in the United States.
>
> CHICAGO, ILL.—The American Farm Bureau Federation will lead the fight in agricultural states against the proposal for an 11 per cent. increase in freight rates, by western railroads. A meeting of farm leaders and officials of the American Farm Bureau Federation was held recently, and plans were developed to put the entire resources of the bureau to work to fight the increase.

It is pointed out by the National City Bank of New York that while farmers who want a railroad are willing to buy stock at $100 a share when it could not be sold for that price in the open market, other farmers, through the Farm Bureau Federation, are opposing an increase in rates which would enable the railroads generally to make earnings which would enable them to raise capital for new lines by selling their shares at par value.

This situation holds interest for Canada. Rates in this country are lower than they are in the United States, particularly on the transportation of wheat. And yet, while the proposal is made for making the American rates still higher, the demand in Canada is for further reductions.

EDITORIAL NOTES

NOW that the Ford has changed its lines the leopard may well be expected to change its spots.

* * *

IN THE financial world there are those who have led a checkered career and yet have never given anyone a square deal.

* * *

ANY doubt as to who will pay for the coal strike in the United States may be disposed of by watching the trend of retail prices.

* * *

AS CONFERENCE follows conference between the government of Alberta and the officials of the railways one begins to wonder what has become of "peace" in the Peace River Railway situation.

* * *

SHOULD the new truth serum come into general use it may put a real curb on the activities of the fake stock salesmen. However, in the meantime prospective investigators can still protect themselves by finding out the truth from some other source.

* * *

EFFORTS of the labor members of the Winnipeg city council to defeat the plans of the Winnipeg Electric Company in operating one man cars have failed. This is just another indication of the success of this company in following out a line of policy to win public approval in providing an efficient service at a fair price.

The Passing of Some Familiar Names.

Amalgamation of Ontario Wholesalers, the Latest Step in the Evolution of the Grocery Trade, Will Soon Blot Out Firms That Have Been Household as Well as Trade Names for Many Years

By B. T. HUSTON, in Canadian Grocer

Although the wholesalers who have gone into the new grocery merger will be trading for a time under their individual names, these will pretty soon pass out of existence. When they do there will be removed from the Ontario grocery map many old-established houses that have been doing business twenty, thirty, fifty, and some close to a hundred years.

Evolution in the wholesale grocery business has speeded up rapidly during the past four or five years and especially during the last two years. Time has wrought many changes. The development of the chain store, the groceteria, the coming of the buying group, have hastened the arrival of the present situation.

The first board of directors of the new company was appointed late on Tuesday as follows: Archie Foster, John Medland, Marland Woolnough, A. J. Major, W. H. Kenny, Hugh Blain, H. D. Whitehouse, Chicago; Frank Grimes, Chicago; E. G. Long, Toronto, and two vacancies to be filled.

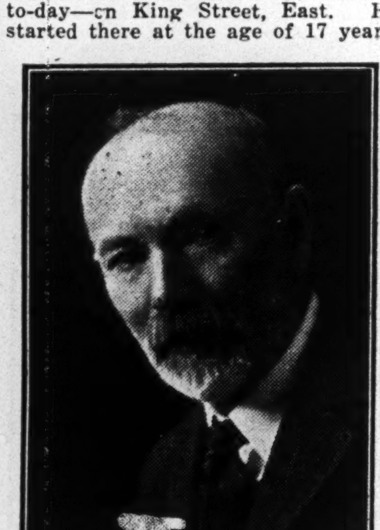
Looking down the list of firms who have gone into the National Grocers' Company, one sees names of men who have been connected with the business for a long time. There is W. H. Gillard & Company of Hamilton, who have done business in that city for many years. Following W. H. Gillard, the late H. C. Beckett headed this firm. Mr. Beckett was well known throughout the country on account of his efforts to establish the fixed resale price plan which he firmly believed was the one and only ethical method of doing business.

Trading for 45 Years

There is, too, Eby-Blain of Toronto that began business on January 1, 1880—forty-five years ago. Hugh Blain is one of the two members that organized this firm. The other was the late Joseph F. Eby who passed away in 1914. Their business was originally a few doors west of their present premises at the corner of Front and Scott Streets and on the opposite side. The late Mr. Eby previous to the founding of the firm had been associated with the grocery house of W. K. Howland and Co. and Mr. Blain was in the fancy goods business.

Hugh Blain is perhaps one of the most distinguished of the wholesale grocers in business in Canada to-day. Although an octogenarian, his mind is as clear and his reasoning as logical as it ever was. Together with the late Colonel John I. Davidson, Mr. Blain was the prime mover in organizing the Wholesale Grocers' Association. He has been actively connected with it ever since, has been president more than once, and his advice has been keenly sought on all important matters down through its history.

Another Toronto house that will lose its identity and that has been in business for years, is T. Kinnear and Company. This was established also in 1880 and since then has opened two branches, one in Galt, the other in Peterborough. Previous to entering the wholesale grocery business the late Thos. Kinnear was in the retail jobbing business with J. W. Lang. He had his first grocery experience with Swan Brothers, one of the oldest retail stores in Toronto to-day—on King Street, East. He started there at the age of 17 years,



WM. TURNBULL,
Head of Edward Adams Co. that has done business in London under the same name for nearly a century.

afterwards going to the store of Richard Dunbar. He died in 1917. Thos. Kinnear has been head of the business ever since and becomes a vice-president in the new company and has charge of the service to retailers' department.

Running down the list again one sees the name of T. Kenny and Co., of Sarnia and Chatham. This business dates back about 44 years. Thos. Kenny's brother used to be in the retail business. At the present time, W. H. Kenny is head of the company. He becomes a director in the National Grocers Company.

The business of W. G. Craig & Company of Kingston was really established nearly one hundred years ago. It was originally known as Gunn and Co. W. G. Craig died just a few years ago after an active career and the business has been carried on by his sons.

The Simpson Co., of Guelph, is another of the old-established firms in the merger. The business was founded by J. H. and Robert Simpson nearly 30 years ago and developed from retail. J. H. Simpson is the father of A. H., who becomes sales manager of the new company.

THE CURTAIN FALLS ON ECKARDT BUSINESS

On Monday night of this week the curtain rang down on the almost 40 year old business of H. P. Eckardt & Co. The president of the company has written his valedictory and bids goodbye to the trade and to business friends of long standing.

As announced in Canadian Grocer last week, the Eckardt business was purchased outright by the new company, the deal to take effect on Tuesday morning, Sept. 1.

The company was established on Jan. 1, 1887, and since has developed into one of the most successful in Canada. Manufacturers and brokers who have had the privilege of calling on Mr. Eckardt down through the years, all have spoken highly of his business acumen. His ability to quickly judge a good "buy" often bordered on the uncanny and what he bought he sold, which is the main thing in any business that is to be profitable. He was termed a "real trader" by hundreds of salesmen who have had the opportunity of presenting their wares to him for consideration. He is a big-hearted man who could always see the lighter side of life, even in the midst of business worries and family illness; and in closing the office door to be reopened by the National Grocers Company, the grocery trade loses a firm friend who will not soon be forgotten.

Lieut. Jack, another son, was also in the firm, but unfortunately he met his death in the battlefields of France. A. H. Simpson through his active connection with the Wholesale Grocers' Association has been recognized as one of the active younger men connected with the trade, and it was no surprise when his name was

A. H. SIMPSON,
The first sales manager of the National Grocers Company, has seen considerable grocery service, although still quite a young man.

associated with that of sales manager. He also is a vice-president of the new company.

The president himself, Archie Foster, has had a lengthy wholesale experience. It was back in 1904—twenty-one years ago—that he with four others organized National Grocers, Limited, and opened for business in North Bay. His co-partners in the founding of the business were R. W. Gordon, A. J. Young, Hon. George Gordon, and Robert Booth. The 1904 warehouse at North Bay gradually developed into five more up to the time his company joined the merger. Their other warehouses were located at Pembroke, Sault Ste. Marie, Sudbury, Cochrane, and Timmins.

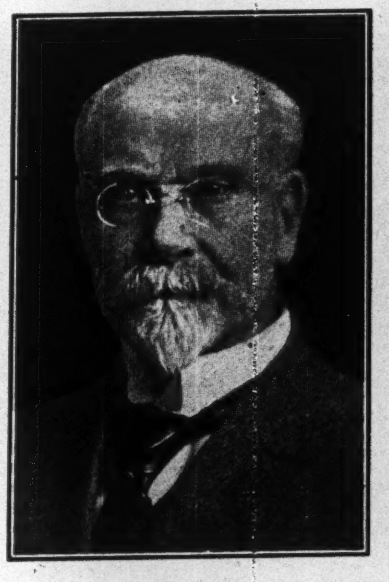
About the year 1911, National Grocers, Ltd., took over the old-established Davidson & Hay business, Toronto.

It was undoubtedly largely because of Mr. Foster's widespread business activities in Northern Ontario, as well as to his recognized executive ability, that he became the head of the new company. This also is the reason why the amalgamated company has practically taken the name of the one of which he previously was in charge.

The Medland History

John Medland, a vice-president of National Grocers Company, has been a wholesale grocer for about eighteen years. Formerly, he, J. T. and R. Y. Medland, operated a retail store at 128-130 King St., E., Toronto. On August 1, 1907, John entered the wholesale field, his two brothers continuing the retail business. About a year later he was joined by his brother, R. Y., and then T. J. Medland disposed of his retail business and joined the Medland Brothers' firm in February, 1919. This company have been operating a warehouse also at Lindsay and Oshawa. But the history of this company dates a good deal farther back than 1907. The father of the Medland brothers was for a number of years in the grocery business at 744 Queen St., West, where both John and R. Y. were associated with him. John Medland, vice-president, and in charge of purchases, has, therefore, a long grocery history to guide him in his new work.

JOHN MEDLAND,
Head of the Buying department of the new company, as well as a vice-president, whose father before him was a grocer.



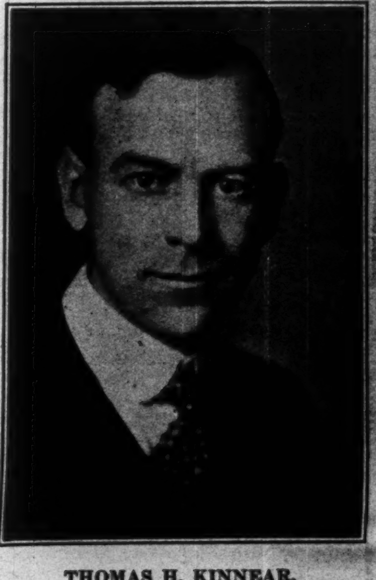
HUGH BLAIN,
A wholesale grocer for forty-five years and an octogenarian who now becomes a member of the board.

There is no firm in the new company that can boast of a history any older than that of Edward Adams and Co. of London. This house was founded in 1835. It was started by Edward Adams, exactly ninety years ago, as a jobbing, wholesale, and retail grocery and hardware firm. Since that time, the name has been continued without change in the same block. The original founder retired in 1872, leaving the company on the understanding that the name which was by that date known throughout Western Ontario, should not be changed. Active partners during the last half of the 19th century included such men as Andrew Cleghorn, Henry Long, Henry Bryant, Chas. Richardson, Henry T. Ford, and Samuel Screaton. In 1895 Mr. Screaton and the general manager of the firm, Wm. Turnbull, purchased the business, and in recent years Mr. Turnbull has been the recognized head of it.

It is interesting to note that all three wholesale houses in Owen Sound have joined the merger. McLauchlan and Sons, there, have also been in the manufacture of biscuits for a number of years, and are an old-established house. Lemon Bros. have always dealt largely in fruit as well as groceries, and W. T. Harris Company have manufactured vinegar.

Then there are the Majors of Ottawa—an old French-Canadian family. The late S. J. Major was the founder of this business a good many years ago and his son, Ascanio J. Major, who was elected last March to the presidency of the Ontario Wholesale Grocers' Association, has been vice-president and general manager. Mrs. M. C. (Lebel) Major, the widow of S. J., has been president since the death of her husband, and has conducted the affairs of the company with conspicuous skill and ability.

While "Somerville" is a comparatively new name in the Ontario wholesale trade, it was formerly as-



THOMAS H. KINNEAR,
A vice-president of the Amalgamated company and in charge of the Retail Contract department, is the son of an old wholesaler.

sociated with "Bristol" — one that was familiarly known two or three decades ago. The Bristol Somerville Co. evolved from Geo. E. Bristol & Co., of Hamilton, and later, when "Sam" Somerville became head, was changed to S. W. Somerville & Co.

So now the time has come when insofar as the grocery business is concerned, the old familiar names, such as Eckardt, Blain, Edward Adams, Craig, Eby, McLauchlan, Lemon, Woolnough, S. J. Major, Kennear and Medland, will soon disappear, except where heads of these older firms are holding responsible positions with the new concern.

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"Bring on the Election: Stop This National Loafing"

Editorial Comments in the Canadian Press on The Financial Post's Plea For an Immediate Election

The Star, Windsor

With the editorial demand voiced by The Financial Post there will be pretty general agreement.

No matter what one's political views may be, it is fairly evident that an early general election is desirable. It is desirable from a national viewpoint, and from a party viewpoint. The country needs it to clear the air and let business see just where it stands. The parties need it in order that party lines may be better defined and one party or another given sufficient majority to provide the country with strong, forceful administration. No matter how good the intentions of any government, it cannot hope to do much leading when it has no majority at all.

The Financial Service, Montreal

For the first time in its history The Financial Post has broken its policy of keeping clear of politics, but so vital is the issue to the country that they have lent the weight of their considered opinion to the popular outcry for the mandate of the people to be sought in the problems now before the country.

The News, Truro, N. S.

The Financial Post, Toronto, has a strong article entitled "Bring on the Election; Stop This National Loafing," and the signs of the times are that Premier King intends to take that course.

The Herald, Halifax, N. S.

The Financial Post, Toronto, speaking for the business community of the country, in a recent issue joined in the public demand on Premier King for a dissolution of Parliament and general elections. The Post has no doubt in regard to public conviction on the subject. The country, it says, "is denied prosperity through lack of courage." It is convinced that there should be "immediate re-choosing of Federal government and the adoption of policies of courage to stem stagnation in Canada."

The Financial Post is an independ-

(Continued on page 11)

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Big Dyke Mines

H. C. M., Toronto.—What is the present condition of the Big Dyke Gold Mine? And to what extent has the mine been developed? What see mto be the prospects for the company?

Big Dyke Mines is in Delora Tp., Porcupine. It was merged with Big Dyke Consolidated. The latter is capitalized at $10,000,000 with $5,500,000 shares of $1 par issued. No work is being done. The whole venture is in the prospect class.

National Manufacturing

T. M., Ontario.—I would like to get your opinion on the security behind the National Manufacturing Company's 6½ per cent. bond. This company is located, I believe, at Brockville and manufactures milking machines and fire extinguishers. Would you consider this bond a high class investment?

These bonds look like good industrial bonds. The principal is well secured, for the assets total over $1,000,000, whilst there are outstanding only $250,000 of bonds. As to the security of interest, the charges annually on this issue total $16,250, whilst the last statement which we have on file shows earnings of $111,000 for that year.

When the bonds were first sold, each $1,000 bond carried a bonus of ten shares of common stock with it. At the time the bonds were issued the average net earnings for the previous three years were about seven times the amount required for the annual bond interest.

Wayagamack

Toronto Investor.—As I am a constant reader of Financial Post and in need of some advice from a reputable source, would be very much obliged if you would advise me regarding some bonds which I have recently purchased.

I might state that I am a widow, getting along in years and have invested all the money which I have in Wayagamack Pulp and Paper Co., having done so on the advice of my attorney.

I hold $1,300 worth of bonds, July 9 issue, which mature in January, 1930. The price paid was $99.50 per bond.

Do you think this is a safe investment for a woman who has no other capital? If not, could you advise me in what manner I could invest my money to best advantage and bringing in a reasonable interest?

The 6½ per cent. five-year general mortgage and collateral trust bonds of the Wayagamack Pulp and Paper Company are a sound investment, but we are indeed surprised that anyone should suggest to you to place your total resources all in one security.

If you desire to put all your eggs in one basket, they should go into something like government bonds or first-class municipal issues.

The largest proportion of your capital should be placed in government bonds, or possibly you might purchase also a few issues of some long-established public utilities company, such as Consumers' Gas or Montreal Power. You might retain a few of your Wayagamack bonds. Might we suggest that you consult a reliable investment banking house.

Imperial Royalties

H. D., Quebec.—I am a shareholder in Imperial Royalties and want to know what is the value of this investment.

For the year ending May 31, 1925, the Imperial Royalties Company report earnings of $153,094. From this was subtracted a total of $2,782 which represents the cost of office expenses and production taxes; this left $150,312, which went to pay the preferred dividends of $137,892.

You ask what the value of the investment is. That is a question which is hard to answer for, as far as we know, there is no market for this security. Perhaps by getting in touch with the head office of the concern they might advise you where your stock could be sold.

You probably understand how the company operates. It goes to land owners in the oil field and definitely buys a certain per cent. of the royalties which these land owners will obtain from wells on their land. The stock is highly speculative, and one other thing must not be forgotten. It is this: These shares are sold in Canada at $1.50 a share. We should be surprised to learn that more than a dollar goes into the actual treasury of the company at Kansas City. Certainly the company must pay a high brokerage commission for having the stock sold. This being the case, the Imperial Royalties must make tremendous earnings to pay 18 cents on every dollar which they receive in the treasury.

We would advise an attempt to sell the stock.

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If an interest rate of 8% per annum — with first mortgage security on an old-established successful public utility business — interests you, write today for our Circular No. 208A.

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Toronto Halifax St. John
Winnipeg Vancouver

Car Foundry

New Jersey Subscriber.—Do you consider Canadian Car and Foundry preferred in the investment class?

The earnings of the Canadian Car & Foundry Company depend on the requirements of the Canadian railroads.

It is expected that this year the harvest in Canada will be good—if this is the case it is probable that the company will receive orders for additional cars.

With regard to this, it is to be remembered that in 1922, the company was unable to meet its preferred share dividends. The full arrears on the stock were only met at the beginning of January of this year.

Canadian sentiment seems steadily growing in favor of some form of amalgamation or co-operation between the two railroads which serve this country. Should this be accomplished within the next year or two it is exceedingly difficult to forecast what the roads' requirements in the way of rolling stock would be.

Besco Preferred

Subscriber, N. S.—As a reader of your valuable paper, can you tell me if now is a good time to average my British Empire Steel second preferred. I have some that cost me about $39 and Dominion and Scotia common stock that cost me over $60 a share. Do you think the first preferred is a better buy than the second preferred? What do you think will be the prospects for the company, as the labor trouble seems to be a thing of the past?

When do you expect Besco to have this year's annual meeting.

No announcement is being made yet as to what date the British Empire Steel Corporation will hold its annual meeting. The preferred stocks of the Britsh Steel Corporation are but a speculative investment. If you intend to purchase any of the preferred shares, we would recommend the Dominion Steel preferred as the one ranking in the strongest position.

However, we cannot advise you to average your second preferred which you bought at $39, as the company is a little short of working capital and requires a good deal of money to put its plants in first-class shape. The development of the British Empire Steel Corporation may be in either one of two directions. There may be some financial re-organization that would have the effect of writing down a portion of the investment of the present shareholders, whilst on the other hand, the trend may be for a general gradual return to prosperity under the present management, with a similar gradual improvement in the market price of the securities.

With the situation in such a state of uncertainty, it is impossible for even those in most intimate contact with the situation to give definite advice to shareholders. Our feeling, though, is that shareholders should not be in any haste to sacrifice their holdings around present levels.

Port Alfred

Investor, Toronto.—I should be obliged if you will give me your opinion of the 1941 6½ per cent. bonds of the Port Alfred Pulp and Paper Corp. as an investment. The present price is about 97.

The 1941 6½ per cent. bonds of the Port Alfred Pulp and Paper Corporation were originally the bonds of the Bay Sulphite Company, which was the last pulp company to go into liquidation in Canada, and which was the first to emerge.

The bonds have an attractive yield at present prices and they look like a good investment for a business man. The company has been doing remarkably well and earnings at present are considerably in excess of twice the equivalent of the bond interest requirements.

As you doubtless know the Port Alfred Pulp and Paper Company are shortly going to build a newsprint mill with a 200 tons a day capacity. This means that the company will need further financing.

Under the terms of the mortgage deed under which the present issue of some $3,000,000 bonds are outstanding, new bonds of this issue may only be sold up to two-thirds of the value of extensions to the property. Moreover, additional bonds can only be sold when earnings are in excess of twice the bond interest requirements plus the interest required for the additional issue.

At the present time under these safeguards, the company is in a position to issue a further $1,000,000 of bonds. From this you can judge that probably the financing of the new mill will be undertaken by this additional bond issue and possibly an issue of preferred stock. Incidentally, that the company's earnings are sufficient to allow this further issue, indicates the success it has met.

Nations Oil

W. S. Montreal.—I have the "proud" possession of some Nations Oil Refineries and associated stock. I would be interested in finding out what development is going on. At last annual meeting a statement was made then that Briscoe was in Great Britain getting funds, and at an adjourned meeting the announcement was made that funds were available but apparently the plant has closed down and everything is in the dark. The secret of the company was claimed in the process of refining by some Ramage method or process. Can you secure any data on this? Ramage process was claimed to be invented during the war by an English professor and that the cost was remarkably low and eliminated the deposit of carbon in the combustion chamber. Can you give some data on this as well as their financial standing?

The vice-president of the company was in Great Britain to obtain additional financing for the company. We learn that arrangements for this additional financing were practically completed in Britain when some Montrealers agreed to provide the company with more capital. It is understood that this further financing is definitely arranged. There only remains one or two small details to finally settle.

At the present time the plant is closed down. The Ramage process of refining is, as you know, a new process, and when adopted by the Nation's Oil Refineries there were found to be many little difficulties in the process which require ironing out.

The Great Lakes Refineries at Toledo, Ohio, are the owners of the patented process and for some months past they have been working away and perfecting this method of refining. It is understood that the American plant is now working satisfactorily and is turning out between 300 and 400 barrels a day.

The Nation's Oil Refineries' plant in Montreal East requires several additions in order to make this Ramage process a success—the new financing will accomplish this, it is said, and it is anticipated that the plant will again resume operations within the next three months.

Premier Gold

Reader, Calgary.—Would like your opinion on Premier Gold Mine. Is the company in good hands?

Premier Gold Mining stock is very well regarded and is giving a yield of around 18 per cent. at the present market price. The company has had a wonderful dividend record in the five years that it has been operating, paying something like $7,000,000, and we are given to understand that at the present time it is doubling the milling capacity, and also doubling the power plant. Besides operating its own property of 2,000 acres it has a material interest in adjoining properties.

Changing From Victories to Increase Interest Income

A Toronto doctor who has been following a conservative investment policy finds himself with about $30,000 of Victory bonds of 1937, 1934 and 1933 issues and he is now considering if he can with reasonable safety, increase his income. About one-third of his holdings are 34's, the price of which ranges around 108 or 109. He asks as to the conversion of these bonds and the increased capital into higher interest bearing securities. He asks if we would consider it wise for him to take this course and what securities we could recommend in that event. He appreciates that the bonds he holds are exempt from income tax and that this feature has been considered in relation to his plan to make a change. To this enquiry The Financial Post has replied as follows:

Your question introduces for discussion a problem that must eventually puzzle every man who has gone on buying Victory bonds until he has accumulated a good holding of this premier investment issue. When he has a large total of Victories and they have shown him a good advance, he begins to wonder if he is not playing too safe; if he is not losing a goodly sum in annual interest just for the sake of entirely eliminating concern over the safety of his investments.

Safety of principal is always the prime consideration in choosing investments. For many people, it must always be so important a consideration as to make any other factors fade into practical obscurity. A person entirely dependent upon investment income must be especially careful, although it is such people who are most often tempted to trade their peace of mind for a few extra dollars. In fact, we have seen it argued that the person with only a small investment fund is the person who must pay least attention to the safety and the most to income yield. This is fallacious; a man with a substantial investment account can better afford a small loss than a person with only a small amount to invest, and for whom any loss is a serious loss.

Practically speaking, it is possible for a person, with $25,000 or more to invest, to distribute the total in such a way over a large number of investments to secure a return of six per cent. or more with all reasonable safety. On your $30,000, the difference between all Victory bonds and an average return of six per cent. is about $450. This $450 is certainly worth going after; incidentally it is large enough to build up a reserve more than ample, under ordinary conditions, to provide for possible losses.

Quite likely you do not want speculations; your position is such, let us presume, that you do not want to be continually watching the market nor studying balance sheets and annual reports. You are not out to get the thrill of the possible big profits that are latent in a flyer in the mining market, or the keen following of a tip on the stock market. What you want is a larger return than you are now getting, with the least burden of management.

You can achieve that within reasonable limits. You cannot entirely get rid of the necessity of watching your investments. A wise man always keeps posted on the activities of the companies or organizations he invests in; he takes his profit on securities that show a substantial rise and re-invests the proceeds in similar securities, if there appear to be other offerings that have not adjusted themselves to their real values.

Assuredly, it is necessary to link up with a good investment house; a good investment connection means much in the handling of any investment fund. The reliable, conscientious house will watch your securities. It will not be wanting you to get in and out of various securities merely to give them a few dollars commission, but it will tell you when you should sell and offer you recommendations of other securities. It will keep your funds always working to add to your yearly income.

We intend to make a few general recommendations here, but we would adivse you to put your problem up to a reliable investment banking firm and see what they would recommend you to do. Then send us their list and we will give you our frank opinion of their suggestions.

One of the things you should aim at is diversification. You should divide your investments between a number of different securities that cover every type of investment, good municipal bonds, sound corporation bonds and a few choice preferred and common stocks. The diversification should extend to the choice of securities that represent different industries—real estate mortgage securities, public utilities, industrials in different lines. Necessarily it will include securities of varying yield, anywhere from five per cent. on the municipals to as much as seven per cent. or more on the preferred stocks and some of the bonds, but with an average yield in the neighborhood of six per cent. There will be securities in the list that have tempting possibilities for advancement.

In this connection you are fortunate in entering the investment market at a time when Canada is on the verge of expansion. There are many securities available to-day that are strong and are considered chiefly for their solidity as investments; yet the buyers will make profits on them that will put many of most of the so-called speculative issues to shame. You have only to consider what the Montreal Power, Shawinigan Power, and the bank stocks have done in the past year to see what we mean.

You might roughly divide your investment fund into about three parts. Put about $5,000 in municipal bonds yielding about five per cent. Put another $10,000 in the best corporation bonds and preferred stocks; put the remaining $10,000 in issues that offer higher yields with certain speculative possibilities.

Such a list might include such bonds as Southern Canada Power, Manitoba Power, Price Brothers, Maple Leaf Milling, Montreal Tramways; even Canada Steamships, and, of course, in every case the first mortgage bonds. The issues mentioned range from about 5½ per cent. to 7 per cent. in yield.

Among the preferred stocks there are such attractive issues as Canada Bread, Maple Leaf, and Winnipeg Electric, Abitibi Power and Paper, Provincial Paper, Belgo and Goodyear Tire, all of which return substantial yields, ranging up to 7.25 per cent.

Another preferred issue with speculative possibilities is Spanish River, now yielding only about 6 per cent., but which will share in any increased dividends.

Among the common stocks, such issues as Bell Telephone, Consumers' Gas, Brazilian, Montreal Tramways, Penman's, Dominion Textile, Canadian Cottons, Canada Cement, offer a range of possible industries and yields.

BRING ON THE ELECTION; STOP THIS NATIONAL LOAFING

(Continued from page 10)

ent journal which devotes itself to business and financial subjects. It is significant that such a paper should speak out so positively on the question of elections. It speaks for business.

It has no misgivings in regard to elections when they are held. The King government, in its opinion, will be defeated. It will be defeated because it has failed courageously to grapple with the great problems that confront this country.

In view of the voluminous but far from satisfying statement issued by the Prime Minister the other day and his amusing protest against being "stampeded" into general elections, it is not without interest to note the letter which one of his lieutenants wrote to The Financial Post. G. N. Gordon, member for Peterborough and deputy speaker of the House of Commons, challenged The Financial Post to state its grounds for demanding elections and predicting that the government will be defeated. The Post very courteously and convincingly supplies Mr. Gordon with its reasons.

But if there are not to be general elections—as Mr. King might be thought to be suggesting—why the uproar on the part of his deputy speaker?

"I might say," says Mr. Gordon, "that I expect to speak in most of the cities and towns in Ontario during the next election campaign."

So it is all arranged. Plans are made. The itineraries of the stump speakers are settled. Yet the prime minister is not going to be stampeded into elections. Certainly not! The matter is decided. Nothing remains to be done but to make the formal announcement—and on with the campaign.

The Expositor, Brantford

The Financial Post, in a leading editorial calling upon the government to bring on the election, expresses the opinion that the defeat of the King administration is sure and also necessary in the interests of the country. With The Post always of Conservative leanings the wish is father to the thought, but it had better not put the King obituary in type for a few weeks yet.

The Advertiser, London

The Financial Post says that "the four towering problems of this country are railways, taxation, immigration and re-organization of civil government for lower costs and greater efficiency." But where is Meighen, who says that these are incidentals, and that the sole issue is the forty-year old theory of high tariff protection?

When The Financial Post and the Montreal Gazette agree that Canada's most urgent question is the railway situation and fail to mention the tariff there will be many Conservatives who must wonder whether Mr. Meighen is really adequate in leading either their party or their country to a solution of Canada's real problems.

The Globe, Toronto

The Financial Post calls on the government to bring on the election and stop this national loafing. There can be no national loafing in a country that is busy reaping one of the greatest crops on record.

Many Quotations Made

In addition the following papers among others copied the editorial in part or in whole:

The Fort William Times-Journal.
The Montreal Gazette.
The Summerside Journal.
The London Free Press.
The Stratford Beacon.
The Moncton Times.
The Orillia Packet.
The Brampton Conservator.
The Port Credit News.
The Peterborough Examiner.
The New Glasgow News.
Le Nouvelliste, Three Rivers.

Brooks Motor Salesmen Active in British Columbia

Salesmen of Brooks' Steam Motors' stock are evidently pushing an aggressive campaign in British Columbia judging from inquiries that are reaching The Post. The inquiries also indicate that different prices are being asked. A Vancouver house writes that one of its customers completed an application for 10 pref. par $10, and 10 common, no par, for $135. A subscriber at Terrace, B. C., says a salesman offered him 10 preferred and 10 common for $130.

Unlisted security brokers in Toronto who have got hold of blocks of the stock are offering it at $5.50 per unit of one preferred and two common, which would work out at $55 for 10 preferred and 20 common.

An Investment Catalogue

The Fourth Edition of the new Greenshields Catalogue gives capitalization, financial standing and earnings over a period of years on over 50 leading Canadian securities—analyses and describes them. Revised to date.

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Manitoba and N.S. Deduct Death Duties Paid Outside

Investors in These Two Provinces Are Free From Duplication of Inheritance Tax, Although no Rigid Provision Exists

The second group of provincial succession duties, according to the classification chosen, are those applicable in provinces where the least amount of duplication exists, in view of reciprocal arrangements or adopted practice. This group includes Ontario, Manitoba and Nova Scotia. Since Ontario and Quebec have certain special reciprocal relations, and since the two provinces combined comprise more than 60 per cent. of the wealth of the country, these will be dealt with together in greater detail. This present group will, therefore, include only Manitoba and Nova Scotia. A complete analysis naturally cannot be given in these columns, but The Financial Post will be glad to give further details to subscribers on request.

From the investor's standpoint, Manitoba and Nova Scotia have much in common in their succession duty legislation. Although Nova Scotia has extended reciprocal relations to Great Britain, there are in general no formal arrangements with outside jurisdictions, but both provinces allow deduction from the total duties of duties paid elsewhere. Nova Scotia's succession duty has been in effect since 1892, and that of Manitoba since 1893.

In the case of Nova Scotia, all property, the situs of which is within the province, is subject to the tax. This includes debts due from a resident irrespective of the situs of the evidence of debt, and property taken into the province for purposes of administration or distribution, including money received under an insurance policy, except where such property has paid duty elsewhere. In the latter case, deduction is allowed, if the duty is as great as that imposed by the province. Otherwise, only the difference is taken account of. The rate of the tax is dependent on:

a.—The aggregate or net value of the estate.

b.—The relation of the beneficiary to the deceased.

c.—The value of the property received by any one beneficiary.

All estates in Nova Scotia over $5,000 net value are subject to succession duty except such estates as pass entirely to or for the benefit of the husband, wife, child, grandchild, son-in-law, daughter-in-law, parents or grandparents of the deceased, in which case no duty is chargeable unless the net value of the estate exceeds $25,000. In estates exceeding $5,000, but not exceeding $25,000, the portion going to any one or more of the above enumerated group is exempt from the duty and the remaining portion is taxed at the specified rates. All estates over $25,000 net are subject to the succession duty.

Exemptions in Nova Scotia

The following exemptions are allowed in Nova Scotia, and the main schedule of rates:

1. Any estate the aggregate value of which is less than $5,000.

2. Property passing to that class of beneficiaries enumerated above, where the aggregate value of the estate does not exceed $25,000.

3. Life insurance payable to any of the persons included in the class above enumerated if the aggregate amount of such insurance or insurances does not exceed $5,000.

4. Any transfer, the aggregate value of which as to property both within and without the province, passing to one person not exceeding $300.

5. Property passing for religious charitable or educational purposes, if the purpose is to be carried out in Nova Scotia or by a corporation or person resident in Nova Scotia.

Value of Estate Passing	Per $100 Dutiable
$5,000 to $50,000	$10
50,000 to 100,000	15
100,000 to 150,000	16
150,000 to 200,000	16
200,000 to 250,000	17
250,000 to 300,000	17
300,000 to 350,000	18
350,000 to 400,000	18
400,000 to 450,000	19
450,000 up	20

If beneficiary be in first class of immediate blood relations rates are:

Value of Estate	Duitable Per $100
$25,000 to $75,000	$2.50
75,000 to 100,000	3.00
100,000 to 150,000	4.50
150,000 to 300,000	5.50
300,000 to 500,000	6.50
500,000 to 750,000	7.50
750,000 to 1,000,000	8.50
Over 1,000,000	10.00

Additional rates apply if single share exceeds $25,000 and if no lineal relationship exists.

Manitoba's Legislation Similar

While the main provisions of the Manitoba Act are similar to those of Nova Scotia, the rates differ. As in the case of Alberta, Manitoba makes special provision against evasion of the Act by previous distribution of the estate in gifts. Property voluntarily transferred in contemplation of death, and all voluntary gifts or transfers made within two years prior to death, are subject to tax. Provision is also made against a transfer by the owner to himself and other persons jointly. Life insurance policies are subject to the tax as elsewhere.

In the case of property left, outside the province, which would have been liable to the duty if situated within, the tax is based on the amount of what would have been the dutiable value of the estate situated entirely within the province, with the deductions previously specified on outside duties levied. The actual practice followed by Manitoba with regard to reciprocal relations with outside jurisdiction is worthy of note.

Where any succession duty has been paid elsewhere than in Manitoba on any estate or part thereof, and if such duty is less than that payable to the province, an allowance so made shall be made by the province so that only the difference will be levied. This, however, is made conditional upon the other taxing authority recognizing the same mutual relationship towards property in Manitoba, and is conditional also, theoretically, on the sanction of the Lieutenant-Governor-in-Council.

Following is the main schedule of rates applicable in Manitoba:

Dutiable Value of Estate	Rate Per Cent. Class 1	Class 2	Class 3
Up to $2,000	..	..	..
2,000 to 3,000	..	..	8
3,000 to 4,000	..	..	8
4,000 to 5,000	..	..	10
5,000 to 10,000	.40	5	10
10,000 to 15,000	.80	5	12
15,000 to 20,000	1.20	7	12
20,000 to 25,000	1.60	7	12
25,000 to 50,000	2	7	12
50,000 to 75,000	3	9	13
75,000 to 100,000	4	11	14
100,000 to 150,000	5	13	15
150,000 to 200,000	6	13	16
200,000 to 250,000	7	13	17
250,000 to 300,000	8	13	18
300,000 to 350,000	9	13	19
350,000 to 400,000	10	13	20
400,000 to 500,000	11	13	21
500,000 to 600,000	12	14	22
600,000 to 700,000	13	15	23
700,000 to 800,000	14	16	24
800,000 to 900,000	15	17	25
900,000 to 1,000,000	16	18	26
Over $1,000,000 *	17	19	27

* Additional rates apply over $1,000,000, and a progressive rate is also added to the entire schedule.

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News of the Investment Market

ARE OUR EXPORTS TO FRANCE DOWN 45% OR UP 30%

(Continued from page 1)

when our goods are shipped through different ports to that country."

The reason, then, added Senator Beaubien, that there are discrepancies between our trade figures and those of other countries is because the statistical department through no fault of its own does not receive the information from other departments which it should have, and also because a large volume of grain may have been shipped to France by the United States through Canadian ports. He suggested that the government give instructions to its various departments to obtain from the shipper not only the name of the port to which the goods are shipped, but the name of the country of ultimate destination as well.

Situation Applies Generally

The same situation applies in the case of our trade with other countries as well. A protest was made recently by the representative of the Swedish government in Canada that that country was not receiving due credit for the goods purchased from us. The Canadian export figures to Sweden were much smaller than the Swedish official figures for imports from Canada. An analysis of the situation showed that a large volume of goods leaving Canada for Sweden were shipped by way of the United States and not sufficiently designated so that they were probably entered in the Canadian official statistics as exports to the United States.

Business naturally depends entirely upon the statistics provided by the Canadian government, and it is not unexpected that business firms should demand that a greater correlation be insisted upon between the various government departments, in order that our trade figures may be accurate and dependable.

Government Rejects the Backus Proposals

MONTREAL.—The government has flatly rejected the proposal of the Backus interests for pulpwood concessions that would enable them to compete with the Spanish River interests on the terms they suggested.

What the Backus company applied for was a grant of land in Northern Manitoba by private sale on the basis of Crown dues, 80 cents a cord. About 5,000,000 cords of pulpwood was sought. The government has replied that the berths are available but the sale must be by public auction.

An Operating Deficit For Blue Diamond Coal

A deficit of $88,599 was shown by the Blue Diamond Coal Co., during the year ended June 30, 1925, according to a balance sheet forwarded to shareholders. This deficit is due to fixed charges, interest paid, accounts receivable written off, and sundry adjustments, and increases the deficit account to $174,995. The deficit for the past year compares with one in the previous year amounting to $86,395.

The report shows a total assets of $2,655,586, which compares with $2,143,621 in the previous year. Fixed assets are valued at $2,067,376, as against $2,073,191 a year ago. Current assets total $136,426, as compared with $128,566. Cash on hand amounts to $5,530, as compared with $4,353 and accounts receivable at $22,307, as compared with $43,000. Inventories are valued at $101,295.

Financing Canada's Pulp, Paper and Lumber Industry

This Corporation has been prominently associated with the development, through constructive financing, of Canada's greatest manufacturing export industry.

Since 1910, we have purchased with our own funds, and sold to investors, entire issues of mortgage securities which contributed to the growth and prosperity of many of the largest companies engaged in the manufacture of newsprint and other paper products, chemical pulp and lumber. Among those companies are:

Abitibi Power & Paper Company,
Bathurst Company,
Continental Paper Products,
Donnacona Paper Company,
Fraser Companies,
Price Bros. & Company,
Spanish River Pulp & Paper Mills.

During our long connection with the development of the Canadian pulp and paper industry, we have accumulated very complete information regarding the industry and individual companies and their securities.

To present or prospective investors, we offer unequalled facilities for supplying market quotations and up-to-date information.

We have published an interesting illustrated 16-page booklet on one phase of the industry—the manufacture of Bleached Sulphite Pulp. May we send you a copy?

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SMALL SURPLUS OF AVAILABLE BONDS STIFFENS PRICES

Same Influence Exerted by Huge Volume of Funds For Investment

The final award by the Dominion Government of $70,000,000, one-year, four per cent. treasury gold notes due September, 1926, to the Chase Securities Corporation and Blair and Co., of New York, is already having a material effect on the Canadian market. Even before the issue was sold, buyers of Canadian bonds were discounting the probability of the issue going to the States, and the result was a material stiffening in the prices of provincial and federal issues. Advances up to one per cent. were made, and it is strongly probable that the scarcity of issues in the Canadian market resulting from the loss of this financing will induce a very material stiffening of prices. The proceeds of the sale in New York are to be used in the retirement of the one-year notes amounting to $90,000,000 which mature on September 15. The balance of $20,000,000, it is understood, will be paid in cash. The notes are redeemable at the option of the government on March 1, 1926, and thereafter at par and accrued interest on thirty days' notice.

The competition which existed in the New York market for the Canadian issue illustrates the growing popularity of Canadian securities in the United States market. A huge selling syndicate comprising the Chase Securities Corporation, the Equitable Trust Co., of New York, the First National Bank of Boston and other large banking and financial institutions throughout the country, has been formed to market the bonds. It is of interest that the house of J. P. Morgan and Co. were competing for the issue but were outbidden, as was the case on our last autumn financing, by the successful group of younger financial institutions which have rapidly come forward as international bankers of repute.

Canadian Market Bare

Trading has been unusually quiet during the past few days, in the Canadian bond market, but the number of coming municipal issues is larger at the moment than has been the case for some weeks. There is also a large volume of industrial issues planned for the fall, and some of these will be making their appearance in the near future. Despite this the volume of bonds available to the investor is approximately $60,000,000 smaller than at this time last year. The total of financing of all classes which is apparent at the moment for autumn is nearly $100,000,000 lower than it was at the beginning of last autumn. This week's sales of municipal issues have been confined largely to small Quebec offerings.

In the New York market, the Canadian issue is the feature of the moment. The market has been remarkably quiet. The week just ended was one of the dullest and most uninteresting in several months, as regards new financing, but a large number of sizable municipal issues are scheduled for the next two weeks and there is a large volume of foreign financing in sight, including certain Scandinavian issues and bonds of some of the German cities. The general expectancy of better business during the fall months is expected to divert surplus funds into industry and trade, but the huge revenue coming in shortly from the crops will tend to offset this.

The greatly increased revenue from the Canadian crops this year will create a much larger surplus of funds for investment. To what extent the greater requirements of business for funds will tend to be an off-setting factor cannot yet be said, but there is good reason for expecting a strong, healthy bond market in Canada during the next three months.

Polish government renews Red Star Line's concessions to carry passengers out of Poland to United States and Canada. Concession lapsed in April last.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	100¼	101½
Alabama 5% 1962	100¼	101
Algoma Steel 5% 1962	30½	..
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	100⅝	101½
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	100⅞	102¾
Can. National Rly. 5% 1954	101	101½
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	99½	100
Can. Light & Power 5% 1949	40½	42
Can. Pacific Rly. 5% 1934	99½	100
Can. Steel Foundries 6% 1936	100	..
Dom. Iron 5% 1939	58½	64
Dom. Power 5% 1932	96	97
Dom. Textile 6% 1949	105½	106½
East Koot. Power 7% 1942	101	102
Frontenac Brewing 6% 1951	92	..
H. Smith Paper 7% 1941	96½	97
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	99⅞	..
Laurentian Power 6% 1936	99	..
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	103	103½
Mattagami 7% 1949	33	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	101⅜	102⅜
Nor. Ont. Power 6% 1931	98½	99⅝
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	99¼	100⅜
Quebec Power 6% 1953	102⅞	..
South Canada Power 6% 1948	103¾	..

August Bond Sales

Bond sales for the month of August were the smallest for any month since the autumn of 1919, the total being $1,533,973 in comparison with $5,431,956 for July and $30,956,100 for June. These were entirely municipal issues. Sales by months for the year to date were:

January	$ 44,943,771
February	78,182,253
March	19,147,618
April	50,365,945
May	16,929,180
June	30,956,100
July	5,431,956
August	1,533,973
	$247,489,896
Same period last year	$268,498,271

Quebec Apartments Bonds Are Offered

From Our Own Correspondent.

MONTREAL.—This week the firm of Ernest Sävard are offering $350,000 of 7 per cent. preferred stock in the Quebec Apartments. The Quebec Apartments were organized to erect the Chateau St. Louis, a modern eleven story apartment house in the City of Quebec.

Work on the building began over two months ago and is in charge of the Anglin-Norcross Company, which has deposited a bond guaranteeing the completion and the delivery of the building ready for occupation by May 1, 1926.

Each $100 preferred share carries with it a bonus of 35 per cent. in common stock. The capitalization of the company is as follows:

	Authorized	To be issued
6½ per cent. bonds	$750,000	$750,000
7% cum. pfd. stock	350,000	350,000
	Shares	Shares
Com. Stock (no par. val.)	2,500	2,500

The company has already experienced an unusual demand for suites in the new building and expects that the Chateau St. Louis will be completely and continuously occupied. It is conservatively estimated that the operating profit on the new venture will be in excess of $100,000 per annum. After payment of fixed charges and sinking fund charges, there should remain slightly less than twice the dividend requirements on the 7 per cent. preferred stock.

Bond Issue Sold on Canadian Bakeries

An issue of $800,000 first mortgage, twenty year sinking fund gold bonds of the Canadian Bakeries, Ltd., has just been sold to the public by a syndicate comprising A. E. Ames Fraser, Dingman; F. H. Deacon and Greenshields. This completes the financing of the merger of Western bakeries which includes also $1,000,000 of 7 per cent. first cumulative preferred stock, $1,000,000 of second cumulative preferred stock, 20,000 shares of class A non-par common, and 20,000 unissued shares of class B for conversion only of second preferred stock.

A detailed discussion of the merger against which this bond issue was made appeared in the last issue of The Financial Post. The total net assets as of September 1, 1925, after deduction of depreciation and all current liabilities, exclusive of good-will, amount to $2,199,055, and after deduction of first mortgage bonds, leave $1,399,055, which is the equivalent of more than $139 per share of the preferred stock. The net earnings for the year ending August 31, 1926, after the deduction of all prior charges, are estimated at the rate of more than 10% per cent. per annum on the preferred stock.

The Trust deed in connection with the bond issue provides that while any of the bonds are outstanding, the company will not make any payment of dividends or purchase or redeem any of its capital stock which will reduce its net tangible assets of $2,000,000, or reduce its net current assets of $250,000. The management of the business will be in the hands of W. C. Shelly, of Vancouver.

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of proven merit over a period of 14 years during which time their interest has been regularly paid twice each year.
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NATIONAL GROCERS PREFERRED ISSUE

$1,000,000 Offering to be Sold to Public Shortly on Merger of Wholesale Grocers

The $1,000,000 issue of 8 per cent. cumulative redeemable sinking fund first preferred stock of the National Grocers' Company, Ltd., referred to in last week's issue of The Financial Post, will shortly be offered to the public.

This is the first preference stock of the company recently formed from a merger of the twenty-four wholesale grocery houses and eleven branches throughout Ontario. The second preference stock, of which there is $2,787,000 outstanding, was used to reimburse the several companies which entered the merger. There was also an issue of $2,000,000 seven-year notes bearing 6½ per cent. interest issued and sold in the United States market by the Continental and Commercial Securities Corp. of Chicago.

The net tangible assets of the new company after deducting the $2,000,000 notes will be equal to $373.92 for each $100 share of this first preferred stock, and the net current assets after deducting the notes will be equal to $162 for each share of the first preferred. The combined average net earnings for three years of the companies in the merger are equal to 31.34 per cent. on this first preferred issue after paying bank interest and note interest, equals approximately four times dividend requirements on the stock.

The stock will be redeemable at 110 and accrued dividends and a sinking fund of three per cent. per annum will be accumulated to retire the issue. The stock will be offered to the public at 100, yielding 8 per cent. by R. A. Daly & Co., and McLeod, Young, Weir & Co.

As record of Detroit internal revenue office shows an income tax assessment against Ford Motor Co., on 1924 profits, of $16,493,160, it would appear net earnings were $115,452,120 after federal income tax.

QUOTATIONS ON FOREIGN BONDS

	Bid	Asked
British Nat. War Loan 5% 1927	$102½	$105½
British Nat. War Loan 5% 1929	100	103
British funding 4% 1960/1990	85½	87½
French Internal 4s 1917	21	23
French Victory 5s 1920	27	29
French Premium 5s 1920	33	35
*German Government 5%	575	625
*Germ. G. 4/5 Enf. Loan 1922	9	11
Prussian Consols 3½s	.85	1.05
*City of Berlin 4s 1922	75	125
City of Berlin pre-war issues	10	11
*City of Hamburg 4½s 1919	135	155
City of Hamburg pre-war issues	2	3
Deutsche Bank Stock	27	29
Krupp Ltd. 5%	1	3
*Austrian Federal 6% 1922	7	9
City of Vienna 5% 1923	11	13

Quotations:— French bonds per thousand francs; British per £20; German per thousand marks. * is million marks

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First Mortgage Sinking Fund Gold Bonds
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To yield about 6.75%
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BOND MOVEMENTS OF THE MONTH
WEEK ENDING SEPTEMBER 1

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.74	83½	73	99	80¼	91	—	92	—
Cedar Rapids	5	1953	5.12	99¾	95	101	97	100¼	99	98¼	—
Can. Steam., deb.	5	1943	6.94	80	72	81	77	80¼	—	80¼	—
Quebec Rly.	5	1939	5.57	91	80	98	89¾	94	—	94½	94
Steel of Can.	6	1940	5.55	103½	103	105⅝	104	—	103⅞	104½	—
Wayagamack	6	1951	6.82	86	74	98¼	84¼	89¾	—	90	89½
War Loan	5	1931	4.61	102.45	100.60	102.65	101.00	102.35	102.20	102.10	102.00
Do.	5	1937	4.50	103.85	102.60	104.95	103.80	104.60	104.45	104.75	104.35
Victory Loan	5½	1927	4.50	103.05	102.05	103.15	102.05	102.40	102.30	102.40	102.10
Do.	5½	1933	4.63	106.70	104.15	107.00	105.40	106.00	105.25	106.00	105.65
Do.	5½	1934	4.97	104.70	102.85	104.75	103.20	—	104.00	104.20	103.90
Do.	5½	1937	4.55	108.90	106.15	110.00	108.35	108.90	108.75	108.95	108.45
Do. Renewal	5½	1927	4.80	102.70	101.10	102.95	101.10	101.60	101.50	101.30	101.10
Do. "	5½	1932	4.96	103.90	102.10	104.20	102.85	103.40	103.20	103.20	102.90
Do. Refund	5	1928	4.84	100.85	99.40	101.45	100.15	100.50	100.40	100.30	—
Do. "	5	1943	4.82	102.85	99.00	102.90	101.15	101.95	101.85	102.10	101.80
Do. "	4½	1944	4.72	97.15	97.00	97.75	95.05	—	97.25	97.55	97.20

Municipal and Provincial Finance

Government and Municipal Bonds

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SHOULD ELIMINATE DUPLICATION IN SUCCESSION DUTY

Uniform Acts Also Urged At Conference Held in Winnipeg

The core of the succession duties problem was thoroughly discussed at the conferences of the provinces held in Winnipeg last week, by Hon. R. W. Craig, K.C., attorney-general of Manitoba. The outstanding problem is how to eliminate duplication in the taxes levied by the various provinces, and no less important is the problem of bringing about uniformity of legislation in connection with these taxes, and eliminating the discrimination shown by certain provinces against non-residents. Hon. Mr. Craig's remarks included the following, referring to the changes needed:

1. To do away with the imposition of multiple taxation in connection with the levying of succesion duties.

It is then in connection with personal property, "movable property," that the problem of multiple taxation arises, and it is submitted with all deference that there is no relief from this problem in the submission of further test cases to the courts; the only solution lies in the arriving at an agreement between the provinces of a basis of taxation which will eliminate multiple taxation.

Personal property is, however, of many kinds, and it would seem that, if multiple taxation is to be eliminated, it will be necessary to allocate personal property for purposes of succession duties taxation between taxing jurisdictions determined by the "domicile" of the deceased and the "situs" of the property, the idea being that the individual's whole wealth should be taxed, but that it should be taxed only once and that the wealth for the purposes of taxation should be divided among the tax jurisdictions according to his respective interests in each.

2. To bring about the greatest possible degree of uniformity of legislation in connection with succession duties.

While it would appear that the greatest good will be accomplished if ways and means are found of doing away with multiple taxation, great good will also be accomplished by bringing about uniformity of legislation. Such uniformity will be economic in its effect, saving much needless expense to the estate of the deceased, particularly in lessening litigation largely based on what has been called "verbal criticism" of the different statutes, and will be beneficial in a real sense to the whole public of the Dominion.

It may be more or less an open question whether it is advisable to have uniformity in the definition of the classes of property to be taxed. However, some of the acts embrace more classes of property than others and it would seem advisable to have all estates treated similarly throughout the Dominion and not have one province endeavoring at the expense of the others, to attract capital to it.

Again, there does not seem to be any particular reason why the matter of exemptions should not be uniform throughout the country. Surely an agreement could easily be arrived at to decide what exemptions, if any, are sound, and once established, these exemptions should be maintained.

While there may be a difference of opinion as to the advisability of uniformity along the above mentioned lines, there is no apparent reason why the broad administrative features of a succession duties act should be different in each of the provinces.

3. To do away with any discrimination against non-residents.

Another question for discussion is the advisability, in levying the duty, of following the existing practice:

(a) Of ascertaining the rate according to the total value of the estate wherever situate.

(b) Of increasing the rates as against non-residents.

Generally speaking, the rate of duty is ascertained by the total value of the estate wherever situate, although only a very small portion of the estate may be dutiable in the taxing province. Further, some of the provinces impose additional rates or surtaxes in the case of non-residents.

Municipalities Seek to Share Gas Tax Revenue

Further agitation for the reversion to the municipalities of a portion of the funds raised by the provincial government of Ontario through the gasoline tax, comes this time from Fort William whose city council sent a representative to the convention of the Ontario Municipal Association which is being held in Toronto this week, to press for action in this respect.

Some time ago there was a general expression of opinion from a number of the municipalities that the proper share of the returns from this tax should be given back to the municipalities for the purpose of improving the road systems in their particular vicinity. The provincial government has given the assurance that the returns are earmarked for road purposes as is the practice elsewhere, but there is a feeling that part of this should be diverted for use on municipally built roads rather than having it all used by the provincial government.

Some effort has been made to secure united action on the part of a number of the larger municipalities, and it is understood that the matter will be a subject of discussion at the convention of the Municipal Association this week.

TAX CONFERENCE CONVENTION

The third annual convention of the Canadian tax conference will be held at the University of Western Ontario, London, under the auspices of the London Chamber of Commerce on September 29 and 30 and October 1. The problems discussed will include the possibility that considerable reduction in taxation can be effected without lessening quality of government service in Canada or ability of our government to meet their outstanding obligations. The probability of such reduction resulting in greatly increased prosperity for Canada will also be discussed.

This Week's Bond Sales

NORTH VANCOUVER DISTRICT

An issue of $17,300, 5½ per cent., District of North Vancouver bonds, has been awarded to the Royal Financial Corporation on a bid of 99.462. Other bids were:

Victor W. Odlum & Co.	99.361
Can. Bank of Commerce	99.30
Can. Financiers Trust	99.217
B. C. Bond Corp.	99.15
Gillespie, Hart & Todd	99.11
Pemberton & Sons	97.65

QUEBEC SCHOOL BONDS

A syndicate composed of Mead & Co. and the Canadian Bank of Commerce, was awarded the 40-year, $50,000, 4½ per cent. bond issue of the Quebec Protestant Schools at 91.19. The other tenderers were:

A. E. Ames & Co.	90.891
Dominion Securities Corp.	90.756
Credit Anglais	90.07

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WINNIPEG HEATING SUBJECT OF PROTEST

Deficit of $70,000 and Announcement of 25% Rise in Rates Brings Storm

WINNIPEG.— The announcement of the Winnipeg Hydro that the central heating rates will be raised 25 per cent. for the coming year has been met with an indignant protest on the part of those users who have not signed up a renewal contract on the basis of the old prices. The service is admitted to be satisfactory, but the users were under the impression that the rates would be reduced rather than increased after the system had made a good start. It is charged that the increase may be due to the fact that there are very few customers, and the company, instead of putting on a campaign for new users, is extending its plant and equipment, and asking the few subscribers at present using the service to pay for these additions.

In urging that the prospectus had been misleading, and had been based on insufficient knowledge of local conditions, one of the customers made a scathing criticism of the method that had been followed in establishing the system and in obtaining business. It was pointed out in reply by Ald. A. R. Leonard, chairman of the utilities committee, that the first year of operations had been experimental and that the plant was not yet in full operation. The prospectus estimates are based on capacity operation of the plant, and, according to Alderman Leonard, a mistake was made in submitting to the public a by-law of $2,000,000 for the whole plant. Up to June 30, according to Ald. Leonard, there was a deficit of $70,000 on the central heating plant, and only one-fifteenth of the power used was electrical, as the result of a shortage of power, due to a leak in the power dam last winter.

THE MAPLE PRODUCTS CROP

QUEBEC.—Maple sugar and maple syrup production in Canada during the season of 1925 amount to 9,791,359 pounds and 1,672,093 gallons, respectively, with an aggregate value of $6,-

We deal in—

United Securities 6% Preferred Shares.
C.P.R. 4½'s — 1944
Bell Telephone 5's — 1955
Belgo Paper 6's — 1943
Belgo Paper 7% Preferred Shares.
Quebec Power 6's — 1953
Quebec Railway 5's — 1939
St. Maurice Power 6½'s — 1953
Wayagamack 6½'s — 1930
Wayagamack 6's — 1951
Montreal Tramways 5's — 1941
Montreal Tramways 5's — 1955
Montreal Public Service 5's — 1942
Windsor Hotel 6½'s — 1943
Laurentide Power 5½'s — 1946
Duke-Price Power 6's — 1949

Also Bonds of Provinces and the larger Canadian Cities

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Incorporated

Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.

(ESTABLISHED 1901)

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FOR SALE

$3,000 Nova Scotia Tramways & Power Co., 5 per cent. Bonds, due 1946.

Price 86, and interest

Bernard D. Parsons

ST. JOHN'S, NFLD.

RAPID RISE UNJUSTIFIED, SAYS CANADA CEMENT COMPANY HEAD

(Continued from page 1)

that Canada Cement supplied the cement necessary for the construction of the Duke-Price power project. This development used well over 500,000 barrels, but this has recently been completed, and, as far as the Canada Cement Company is concerned, all that will occur is simply that portion of the production which formerly went to the Duke-Price interests, will go now to the Aluminum Company instead.

Used to Move Stock

Despite these facts, those who are interested in the stock market have succeeded in using this news for their own ends and probably there are many who bought the stock believing that this contract would greatly enlarge the company's earning capacity.

The announcement of the closing of the contract was made in New York, where Arthur V. Davis, president of the Aluminum Company and W. S. Lee, the engineer in charge of Chute a Caron $100,000,000 project, stated that they had been able to buy their principal purchases so far, which consisted of cement, electrical machinery and steel work, in the Dominion of Canada. Mr. Lee said that he had within the last few days closed a contract for the entire requirements of cement which will be required for this work for the next five years on a basis which was very satisfactory to him and which he had been assured by the officials of the Canadian company, which is to furnish the cement, were equally satisfactory to them. Mr. Lee said that he had used over half a million barrels of this cement in the construction of the Ile Maligne water power works and that he was pleased that he was going to be able to use the same cement on this new work.

QUEBEC SOUTHERN MAKES EXTENSIONS

Demand for Company's Power Increasing — Three New Lines Being Constructed

From Our Own Correspondent.

MONTREAL. — Quebec Southern Power Corporation is just now in the middle of an expansion programme which includes the raising of the amount of power developed from 2,600 h.p, to 5,500 h.p., and the extension of its lines to link up the two sections of the country which are served by its two power plants.

At the present time, in that part of the country served by the company's Rawdon plant, less than 50 per cent. of those who require power are able to purchase it, so that the completion of the new line from St. Jerome to St. Lin will mean an immediate large increase in the revenues from this section. For some time, the Rawdon plant has had its entire output sold, and this accounts for the demand that the company cannot fill until the new line is completed shortly, at which time the company will immediately increase the number of its customers by some 2,000.

Due to the rapid increase in the demand for power from the town of St. Jerome, the company is constructing a direct line between its plant at Ste. Marguerite and the town. This work will be finished by the end of October. Another line is practically completed; it is the extension from Ste. Agathe to St. Faustin.

It is naturally expected that the company's earnings will move upwards rapidly upon the completion of these projects. Earnings at the present time are understood to be in the neighborhood of equivalent to twice the bond interest requirements.

August Made a Good Record For Construction

The total value of construction awards for the month of August throughout Canada, as compiled by MacLean Building Reports, Ltd., was $31,207,500, being the largest total for August since 1921. It compares favorably with the totals of $22,179,400 for the previous month, and $25,664,500 in August a year ago. Residential building accounted for 30.6 per cent. of the August total and amounted to $9,539,600. Business buildings totaled $5,788,600, or 18.5 per cent.; industrial buildings $5,199,500, of 16.7 per cent., and public works and utilities $10,679,800, or 34.2 per cent. The activity was distributed among the provinces, as follows: Quebec, 43.6 per cent.; Ontario, 34.3 per cent.; Prairie Provinces, 8 per cent.; British Columbia, 7.8 per cent., and the Maritime Provinces, 6.3 per cent.

Contemplated new work reported in August totaled $49,294,300, compared with $48,822,600 in July, and $25,087,700 in August a year ago. The contemplated total for this year to date is $410,523,000. For the first eight months last year it was $237,691,100.

TORONTO MAY OPERATE RADIALS

A motion calling for a report from the Toronto Transportation Commission as to what advantage could be gained by the city from the operation by the Commission of the Kingston Road, Yonge Street, and Lake Shore Road radials, now operated by the Ontario Power Commission on behalf of the city was passed this week by Toronto's board of control. They are also asking the Ontario Hydro-Electric Power Commission for a report to show what profit or loss is expected to result from the operation of each of the radials operated for the city in 1925, 1926 and 1927.

For the year 1923 on the three divisions, there was a total deficit of $195,252; and for 1924, a total deficit of $248,541. Deficits are also piling up, this year.

Tenders and By-Laws

TENDERS CALLED

Sept. 8, City of Hull, P.Q.—$142,000, 5 per cent. 20-year debentures. H Boulay, city clerk. (See announcement on page 16).

Sept. 8, Village of Amos, P.Q.—$48,000, 5½ per cent. serial bonds. The Sec.-Treas. of Amos.

Oct. 6, Town of La Tuque, P.Q.—$244,400 debentures. Ten years at 5½ or 5 per cent., or thirty years at 5½ or 5 per cent. P. E. Riberdy, sec'y-treas.

Sept. 18, The Parish of St. Jean Chrystostome, P.Q. — $28,000, 5½ per cent. serial bonds. C. Proulx, sec.-treas.

Sept. 8, Town of Lachute, P.Q.—$6,900, 5 per cent. serial bonds. J. A. Rice, sec.-treas.

AUTHORIZATIONS GRANTED BY THE LOCAL GOVERNMENT BOARD FROM AUG. 14th TO AUG. 22nd, 1925

Schools— Halcyonia, $1,400; Keddleston, $1,000; Eatonia Union Hospital, $12,000; City of Regina, $734.

Debentures Reported Sold

Peebles S.D. No. 4382, $1,400, 10 years, 6 per cent., Cross & Co., Regina; Belton S.D. No. 2401, $1,500, 10 years, 6¼ per cent., Nay & James, Regina; Delorme, No. 1212, $1,600, 15 years, 6¼ per cent., Cross & Co., Regina; Craigmore, No. 1178, $2,500, 10 years, 6 per cent., Moorhouse & Co., Regina; North Hazenmore, $1,300, 15 years, 6¼ per cent., T. Taylor, Regina; R. T. O., Whitewood St. Hubert, $2,000, 15 years, 7 per cent., Regina Brokerage & Inv. Co.; R. T. Co., Barrier Valley R. M., $8,000, 10 years, 6 per cent., Cross & Co., Regina; Town of Wynyard, $27,300, 15 years, 7 per cent., Cross & Co., Regina.

THE RADIO IN CANADA

OTTAWA.—Canada spent $5,614,790 on radio parts and sets in 1924. A report issued by the Bureau of Statistics shows that the production of radio sets and parts amounted to $3,201,103, while imports from the United States totalled $2,413,687. Radio licenses issued during the year ending March, 1925, totalled 92,996, while the number of licensed broadcasting stations was 51 at the end of the year.

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WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

MUNICIPAL

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Quebec School	Aug.	Mead & Co., and Bank of Commerce	4½%	1965	$50,000	91.19	5.01
North Vancouver	Aug.	Royal Financial Corp.	5½%	....	17,300	99.462	...
Saskatchewan Schools, etc.	Aug.	Various	....	....	45,600	....	...

Insurance for Buyer and Seller

CONTENDS PUBLIC CONTROL OF RATES IS NEEDED TO-DAY

Companies Should Reduce Expenses Rather Than Seek Volume

The question of state control of insurance premium rates was thrown open at the Winnipeg convention of Canadian provincial insurance superintendents. Canada has not adopted state control of rates as yet, but many American states have tried it. For that reason, the views of Ben C. Hyde, superintendent of insurance for the state of Missouri, where rates are controlled, as delivered at the convention, are of great interest. Mr. Hyde said in part:

In the United States, until within the last fifty years, no attempt was made on the part of the legislatures to regulate fire insurance rates. The theory upon which this policy was adopted was based on the assumption that competition would always be present and that the law of supply and demand would be effective in producing substantially low rates. Active competition on the part of the companies developed into a life and death struggle for business and produced a very unhealthy condition. It resulted in discriminations and unfair practices of various kinds. It enabled the person who controlled large lines of business to obtain rates for his lines at lesser rates than could those who had only a limited amount of business, or who were minor factors in the market. The companies, growing tired of unbridled competition, sought among themselves to reach an understanding as to rates and territory. Such agreements easily created a monopoly and placed in the hands of those subscribing to the agreement a weapon inimical to the public interest. This created a vigorous opposition in the public mind which reflected itself in the legislation which followed. There was a flood of anti-monopoly and anti-trust statutes. Almost every state of the union has a statute of this kind. These laws were vigorously opposed and attacked by those who sought to create such an understanding or monopoly, and the courts of the states and of the nation were congested with suits arising out of these anti-trust laws. It was found, however, that the laws, while sustained in the courts, did not produce the panacea hoped for. They were only partially successful. Within recent years the legislatures of the various states have undertaken to regulate corporations representing "big business" rather than to destroy them. Certain classes of competition are looked upon as wasteful and extravagant, and it was believed that control over prices would be better from an economic standpoint than would wasteful competition with no assurance that there would be, in the final analysis, proper competition. There have been passed in many of the states laws which permit understanding as to rates but which lodge in some administrative officials of the state authority to supervise, in a degree, to control the rates that are to be effected. In those states which have rate control laws, there almost always appears a provision which prohibits discrimination. This is only one branch of state control of rates. The statute in the State of Kansas on the question of rate control and against discrimination in substance required fire insurance companies to file their rates with the superintendent of insurance and authorize him to increase rates which were inadequate and decrease rates that were excessive and prohibited the companies from writing insurance at rates other than those filed with him. The companies attacked the law on the grounds that it was unconstitutional. The United States Supreme Court, in the case of German Alliance Insurance Co. vs. Lewis, 233 U. S. 389, said that insurance was affected with a public interest and that rates were subject to government regulations. The same was held in the case of Citizens Insurance Co. vs. Clay, 197 Fed. 435. In this case the court said: "The business of fire insurance is not impressed with a public use in the sense that the public can demand the service, but it has at least a quasi public as distinguished from the purely private character." It is, therefore, firmly established that the states may regulate and supervise and possibly make the insurance rates to be charged outright provided such regulation and supervision does not become arbitrary, unreasonable or confiscatory.

It is my contention that if the state is going to permit the companies to enter into agreements among themselves for rate-fixing purposes, someone representing the state should have authority to decrease rates wherever the circumstances justify and to prevent increases where the situation does not demand it. The law of Missouri gives to the superintendent of insurance such authority. The right of the legislature to clothe the superintendent of insurance with proper authority over the fire insurance rates in any state has been strenuously opposed by the stock companies, but the tendency has been rather to strengthen the hands of the superintendent of insurance in the various states rather than to diminish his power, and I believe that it is only a question of time until every state will have a rate-making law clothing the superintendent with adequate authority to supervise rates and the machinery for making rates in the state.

The message I hope to impress you with is that if fire insurance rates are to be reasonable the companies must place emphasis on economical and efficient management instead of on large premium volume. They must change all earnings to profit and credit expenses and losses. The expenses must be reasonable and the risks carefully inspected and investigated. They must take the public into their confidence instead of promulgating technical, inaccurate and unfair methods with which to bolster up the rates.

That the competition for fire business is for premium volume with little attention is paid to underwriting is well known to all of us. President Coolidge said in a proclamation on fire prevention that the per capita fire loss in the states was $2.16 in 1912 and $4.67 in 1922. One of our leading fire companies in advocating a fuller inspection of the moral hazard is advertising under the heading "Incendiarism forty per cent.," and has in the past advertised by charts showing that fires increase in proportion to business failures. Frequently you hear of a state insurance department or fire marshal insuring, as a test, property for many times its value.

The public see risks taken with little or no inspection, property burned which they believed would burn, incendiary losses, and every class of risk, good, bad and indifferent, covered.

The agents anxious to perform a public service and guard against bad risks and over insurance cannot be blamed if they occasionally err in their underwriting. The miracle is that they do so well. They have an increasing agency plant to contend with, practically no qualification requirements, and the certain knowledge that a bad risk refused means a commission lost to a competitor.

Fire losses in the States exceed $500,000,000 annually, together with the loss of approximately 15,000 lives. Waiving

(Continued on page 15)

The Record of Fire Losses in Canada

Place—Property	Date	Loss	Insurance	Cause
NOVA SCOTIA				
Piedmont—Community Hall	Aug. 21	Heavy	Partial	......
Sydney—3 buildings and store	Aug. 24	$8,000	$2,000	Unknown
NEW BRUNSWICK				
Lower Coverdale—J. Nash, barn and crop	Aug. 17	Total	......	Unknown
QUEBEC				
St. Hyacinthe—T. Lemieux, res.	Aug. 21	Total	......	Unknown
Riviere du Loup—E. D. Ouellet, shop	Aug. 19	$500	......	......
Notre Dame de la Selette—G. B. Lalonde, barns	Aug. 25	Considerable	Covered	Unknown
Cookshire—G. Hodge, barn and contents	Aug. 22	Total	......	......
Sherbrooke—H. Gaudreau, barn	Aug. 22	Heavy	......	......
Quebec—H. Gosselin, res.	Aug. 23	Considerable	......	......
Montreal—Apartment block, stable, 20 res. and icehouse	Aug. 25	$250,000	......	Unknown
St. Benjamin—J. C. Veilleux, barn	Aug. 21	Considerable	......	Unknown
Montreal—C.P.R. bldg.	Aug. 26	Heavy	......	......
ONTARIO				
Huff's Is.—E. Wallbridge, barn and site	Aug. 24	$8,000	Partial	———
Hamilton—Hamilton Sanitarium	Aug. 25	$10,000	......	Unknown
Ottawa—Golden Valley Stock Farm, bldgs.	Aug. 24	$4,000	Partial	......
Toronto—J. Webster, store and res.	Aug. 24	$1,800	......	Coal oil stove
Crowland—J. Markawas, res.	Aug. 20	$1,200	$1,000	Sparks
Crowland—J. Mrosowski, res.	Aug. 20	$500	$200	Sparks
East Zorra—H. Couch, barn and crop	Aug. 25	$10,000	Partial	Explosion
Kingston—National Explosive Co., plant	Aug. 24	Considerable	......	Explosion
Elmira—H. Klinck, barn and contents	Aug. 24	Total	......	Unknown
North Bay—E. Germaine, res.	Aug. 20	Total	......	Unknown
Pembroke—L. B. Foster, res.	Aug. 19	$2,500	......	Unknown
Prescott—Driver Homestead	Aug. 20	Total	......	Unknown
Stoney Lake—W. H. Cuthbertson, cottage and contents	Aug. 17	$1,000	$500	Explosion
Creemore—F. Hopper	Aug. 20	Total	......	......
Moulinette—A. M. Snetsinger barn and crop	Aug. 19	Total	......	Lightning
Elesmere, A. H. Wagstaff barn and bldgs.	Aug. 21	$10,000	Partial	Unknown
Toronto, Mrs. C. Maison, res.	Aug. 25	$15,000	......	Unknown
Hawkestone, R. Reid & Sons, grist mill	Aug. 20	$15,000	......	Unknown
Dorchester—G. Hodgins, barns and crop	Aug. 19	$10,000	Partial	Lantern
Verulam—W. Griffin, res.	Aug. 17	Total	Small	Unknown
Moulton Tp.—J. H. Jones, barn & contents	Aug. 10	$5,000	Partial	Spark
Buttonville—R. Perkins, barn & crop	Aug. 26	Heavy	......	......
Dundas Marsh—M. Brunt, G. Elford, H. Flowers and H. Gough, boathouses	Aug. 20	$1,000	......	Unknown
Hamilton—T. Webster, res.	Aug. 20	$1,000	......	Oil stove
Hespeler—J. Small, barn and crop	Aug. 20	$8,000	......	Unknown
Smiths Falls—B. Hutton, bldgs and crop	Aug. 15	$4,000	Partial	Unknown
Trenton—S. Hendricks, barn & crop	Aug. 19	Total	......	Spon. comb.
Rossmore—C. Read, res.	Aug. 23	Total	......	Stove
Cannifton—W. C. Farley, res. (one death)	Aug. 23	$30,000	$3,000	Unknown
H. Boyce, barns and crop	Aug. 23	......	......	......
C. Rosevear, res.	Aug. 23	......	$1,000	......
A. Holgate, res.	Aug. 23	......	......	......
Ottawa—Dom. Experimental Farm, flax barn	Aug. 28	$40,000	......	Combustion
MANITOBA				
Portage La Prairie—J. E. Crewson, res.	Aug. 21	Considerable	......	Elec. Iron
SASKATCHEWAN				
Rouleau—W. F. Lichmond, barn	Aug. 20	Total	$2,000	Unknown
Humboldt—J. J. Daniels, garabe and car	Aug. 20	Total	......	Short circuit
ALBERTA				
Gladys—W. Wilson, res.	Aug. 12	Total	None	Unknown
BRITISH COLUMBIA				
Wasa—Wasa Hotel, bldg.	Aug. 15	Total	......	Unknown
Perry Creek—Bunk House and bldgs.	Aug. 8	Total	......	......
Surrey—Gilchrist, res.	Aug. 19	Total	Partial	Bush fire
Edmonds—G. Pratt, res.	Aug. 17	$3,000	Covered	Lamp
Nr. Vancouver—Mrs. Ryan, res.	Aug. 14	Total	......	......
Courtenay—Commox Logging Co., camp	Aug. 10	$100,000	......	Steel cable
Courtenay—A. Matheson, res.	Aug. 20	Total	Partial	Unknown

Son Succeeds Father In Stanstead Mutual

The Stanstead & Sherbrooke Mutual Fire Insurance Co., at a recent special meeting, accepted the resignation of Geo. Armitage, manager and secretary-treasurer, after continuous service with the company for over forty-six years. During this time the Stanstead & Sherbrooke has become one of the most successful organizations of its kind in Canada and much of its prosperity is due to the efficient management by Mr. Armitage, supported by a strong board of directors consisting of the best business men of Southern Quebec.

The retiring manager is succeeded by his son, J. Gordon Armitage, as secretary-treasurer. He has been connected with the company for sixteen years and has been assistant to his father for some time past.

Commercial Life Opens New Branch at Regina

The Commercial Life Assurance Company of Canada, with head office in Edmonton, are extending their operations, and have recently opened a branch office at Regina under the management of John Nursall, formerly of Edmonton and Regina.

The company's first branch office, established at Saskatoon, under the management of Thomas Murphy, formerly of Edmonton, is writing a splendid volume of business. The Commercial Life has already over $2,000,000 in force in the province of Saskatchewan. A branch office for southern Alberta will be opened at Calgary very shortly.

LICENSE TO BRITISH OAK

The Department of Insurance has issued a license to the British Oak Insurance Company, to transact the business of fire, accident, automobile, inland transportation, sprinkler leakage, and insurance against damage to property of any kind caused by the explosion of natural or other gas.

INCOME ANNUITY IS BEING ADOPTED FOR EMPLOYEES

Wampole Company Works Out Plan With Co-operation of Workers

The statement rightly made in years gone by, that commercial organizations had no sense of human interest, could not justly be repeated to-day. And this can be easily shown by the fact that there are to-day so many firms who purchase old age annuities for their employees. A number of Canadian concerns and over two hundred American firms have adopted the industrial pensions system.

There are large numbers of annuity systems, and the executives of the firms who intend to adopt one of them, do it after very careful investigation. Indeed, one concern, the Henry K. Wampole Company, a chemical manufacturing firm, of Perth, Ontario, thought the matter over for one year, before taking a decision. They finally accepted a plan similar in character to that adopted by the New York Stock Exchange, and by the Metropolitan Life for its own employees.

The plan, as adopted, provides all contributing employees with a retirement allowance paid for by the employer, known as a service annuity, equivalent to 1 per cent. of salary for each year of service from the adoption of the plan until age 65, when the allowance is payable to the retired employee monthly for life. The employee cannot lose one cent of his contribution, because whether he dies or leaves the service, he is sure to get back at least what he puts in the plan.

Each employee in the plan deposits 3 per cent. (to nearest even dollar) of salary each month. These deposits secure for the individual a retirement allowance in addition to that provided by the company, known as income annuities. The amount of income annuity for each employee is directly dependent upon age, sex, and amount of deposits.

Any employee with 15 years' service or more who is totally and permanently disabled receives at once his service annuities (provided by the employer) as a disability allowance, payable monthly for life or during disability. In addition, his own deposits are waived, so that his income annuity continues to increase in value precisely as though he were making his regular deposits. Thus, after age 65 the disabled employee gets not only the disability allowance paid for by the company, but the full income annuity he started out to provide for himself.

The important feature with regard to the plan is that each year a definite reserve is set up to assure the retirement allowance payable in the future on account of that year's service. If some time in the future the plan should have to be discarded, still the benefits for service completed up to that time would be definite and assured.

An employee, age 34, entered at age of 20, deposits $12 a month. He gets on his own deposits $557 a year for life after age 65; from the company, for future service, based on present salary, $975; from the company, for past service, $225, or a total of $1.757 a year payable monthly.

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Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
THURSDAY, THE FIRST DAY OF OCTOBER
next, to Shareholders of record at the close of business on the Fifteenth day of September.
By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, August 19th, 1925.
CANADA PERMANENT 70 YEARS 1855—1925
Established 1855

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POST-Scripts

AT THE luncheon in connection with the opening of the Manufacturers' Life Building in Toronto, Sir William Mulock, who lives in the neighborhood, made a witty speech. Perhaps the brightest remark he made was to the effect that he now felt thoroughly safe since he had life insurance as a neighbor on one side and fire insurance on the other. When he turned significantly to the Ven. Archdeacon Cody at the head table the gathering all caught on. He was referring to St. Paul's Church.

* * *

"OH DASH! Oh bother! How awful!" said a lineman employed by the Montreal Light, Heat and Power Consolidated as he dropped a monkey wrench on his toe this week. No. this employee of Montreal "Power" is not exceptional, for no "cussin'" whilst on the job is the unwritten rule which union employees of the company are sponsoring.

This week, the general manager, J. S. Norris, received a communication from the president of the local electricians' union saying that at a meeting of the electricians in the Labor Temple a resolution was passed pledging all members to abstain from the use of bad language while at work. The members of the union resolved also to urge the company to enforce the pledge amongst the employees.

* * *

IF LOUIS HEMON could return to this earth and see the country that he has made world famous in "Maria Chapdelaine" he would note amazing changes. The Peribonka country hums to-day with industrial activity. It is announced that the Port Alfred Pulp and Paper Company is to build a newsprint mill, and the mighty trees that separated Maria from her lover will be turned into newspapers to carry the world's news and views. Nearby waters are providing power for other industrial developments, and an aluminum corporation is to reduce the ores that will become in time pots and pans on kitchen shelves throughout the globe.

As the Western frontier pushed onwards, finally reaching the Pacific, it seemed that there would be no more frontiers. But Canada still has its frontiers, and hence its pioneers, who are weaving a blanket of industry northwards.

* * *

IF NOT from time out of mind, at least ever since "power" became a precious commodity, engineers have looked longingly at the tides as a potential source of energy. And they often have tried to utilize these twice-a-day swayings of the ocean, sometimes with a measure of success, but never as yet, as the New York Times points out, with results at all comparable with the size of the storehouse tapped by these devices.

A real harnessing now is proposed by Dexter P. Cooper, an experienced hydraulic engineer, and his plan was detailed at length in the New York Herald Tribune. Mr. Cooper claims that from the tides in two big inlets back of Eastport, Me., he can get continuous power and a lot of it—at least twice as much as Muscle Shoals is expected to provide.

At the point mentioned, just at the entrance to the Bay of Fundy, there is a daily tidal rise and fall of about twenty-seven feet. As outlined, the plan is to shut off both inlets from the sea by great walls, provided with gates. The gates of the larger pool are to be opened only when the tide is rising, and those of the smaller only when it has fallen. The power houses are to be on another great wall between the two pools. As Mr Cooper says that this scheme will work, it probably will, and though he admits that it will take 5,000 men five years to build his dams and gates, at a cost of $75,000,000, there is nothing terrifying in that if from 500,000 to 700,000 horsepower forever after will be available.

* * *

IT IS to be hoped there are not many business men in the serious position of the man who supposedly wrote the letter reprinted on an envelope stuffer by Wilson, Lytle, Badgerow, of Toronto. He is quoted as saying:

"For the following reasons, I am unable to send you the cheque asked for:

"I have been held up, held down, sandbagged, walked on, sat on, flattened out and squeezed, first by the government for war tax, the excess profit tax, victory bonds, thrift stamps, capital stock tax, merchant's license and auto tax, and by every society and organization that the inventive mind of man can invent to extract what I may or may not possess.

"From the society of 'John the Baptist,' the G.W.V.A., G.A.C., United Veterans' League, the Woman's Relief, Navy League, the Red Cross, the Black Cross, the Purple Cross, and the Double Cross, the Children's Home, the Dorcas Society, the Y.M.C.A., Y.W.C.A., Salvation Army, the Boy Scouts, Jewish Relief, Belgian Relief and every hospital in town.

"The government has so governed my business that I don't know who owns it. I am inspected, suspected, examined and re-examined, informed, required and commanded, so I don't know who I am, where I am, or why I am here. All I know is that I am supposed to be an inexhaustible supply of money for every known need, desire or hope of the human race and because I will not sell all I have and go out and beg, borrow or steal money to give away, I have been cussed, discussed, boycotted, talked to, talked about, lied to, lied about, held up, hung up, robbed and nearly ruined; and the only reason I am clinging to life is to see what in h— is coming next."

TO INVESTORS:

Before investing money in a business, it will prove profitable to secure my analysis as to its possibilities.

I render counsel on Sales Promotion and Advertising Requirements; also Manufacturing Problems.

You should not consider a Financial Statement the only essential that warrants investment.

F. E. Mutton, 705 Federal Building, Toronto
Adelaide 8031

WOULD REGULATE INSURANCE RATES BY LEGISLATURE

(Continued from page 1)

the public paid for protection. He reviewed the legislative situation in Ontario. The department was first authorized to act in regard to rates in the event of a complaint being made by a policyholder. Later complaints from companies were included and the department given power to ask that rates be filed. The filing of rates and the subsequent analysis and investigation led to some startling revelations. It was brought out, for instance, that one company was charging three different rates in three Ontario cities within a radius of a few miles. On this situation, Mr. Foster commented:

In response to a verbal request for an explanation the manager of this company frankly admitted that the company was charging manual rates in City A because its agent there thought he could get them; and that competition being more severe in City C than in City B it had been necessary to allow an extra 2½ per cent. deduction in the former city. The last company of this group of eight filed manual rates less 8 per cent. off on fire cover and a note that theft rates are read to include accessories.

It is unnecessary to say that the analysis of these filed schedules confirmed the worst fears of the department. Unrestrained competition for business had apparently run the gamut of its attendant evils. Local competitive conditions seemed to be the only factor considered by some companies in fixing their rates to be charged.

Further, with regard to the investigation of automobile rates, Mr. Foster said:

The head office and general agencies of ten companies in Toronto and Montreal have been visited to date. Three of these companies were members of the C.A.U.A. rating bureau, and in the case of two of these companies no irregularity or departure from manual rates was disclosed. I am satisfied that the so-called Board companies are generally adhering to their tariff obligations and complying with the law. Certainly all complaints which have been received, mostly from non-Board companies, have been investigated without disclosing any irregularity. One company was charging in accordance with its filed rates, manual rates less a uniform percentage deduction of 20 per cent. The other six companies were charging manual rates less variable percentage deductions with ample evidence that the rates as filed were not being applied.

In the case of the public liability rates (standard limits) of one company—same hazard and same territorial classification as per manual—there was a range from $11.70 to $7.45 representing discounts of from 10 to 43 per cent. Property damage rates charged by the same company varied from $8.10 to $5.40—discounts of from 10 to 40 per cent.

Two neighbors, a man and woman, residing door to door on Coxwell Avenue, Toronto, insured their 1923 Ford Sedans through different agents with this company within a few days of each other, no change in rating policy having taken place in the meantime. A scrutiny of the written applications showed the risks as alike as two peas in a pod. The woman paid a 13 per cent. higher rate than the man. The only explanation of the discrimination on the daily report was "Premium arranged by A. H. B."

Fleet rates are better not mentioned at this time. There is apparently no rhyme or reason to them at all outside of companies employing the experience rating plan of the C.A.U.A. Suffice to say that the ruling of the department of April, 1924, has been absolutely ignored by several companies, and that not only are employees' cars being insured with commercial fleets, but persons in common employment, such as bank clerks, are insuring their cars at 25 to 50 per cent. off manual rates and frequently at 25 per cent. below rates offered by the same company to the general public.

As to the Fire Field

As to the fire rates, Mr. Foster said that they were comparatively stabilized, and that discrimination, if it existed, was hidden in key ratings and schedules, and the same probably applied to other casualty lines than the automobile. But there were other weaknesses in regard to the fire rating system which were pointed out in no uncertain language. "Loading" was particularly referred to. Following are some of the comments made:

There are conditions inimical to the public interest in the business which no official charged with the administration of a rating law can refrain from reviewing, and these are more serious because they are prevalent in bureau and non-bureau companies, and as a result are a menace to almost every member of the public.

Those conditions revolve themselves around the premiums collected by the companies from the policyholders. The premium is composed of two component parts, namely, the "pure" premium and the "loading." The former is the actual net loss cost and the loading constitutes the charge added to cover acquisition cost, head office and administration expenses, taxes and profits.

The great problem of the legislative regulation of insurance rates is "How far should the state go to bring about reductions in the 'loadings'?" The general conclusion reached by all public investigations into insurance rates in Canada and the United States is that insurance companies—and particularly fire companies—are not making excessive profits in the aggregate and that rates are fairly reasonable under existing conditions of expense. Head offices and administrative expenses, and taxes, are relatively uncontrollable. The largest item of the loading by all odds is the acquisition cost.

It is very difficult for the public to understand why approximately forty cents of every dollar paid for insurance should be disbursed in expenses, principally commissions to agents. Some classes of insurance, such as fire insurance, practically sell themselves. There is no necessity for canvassing business men to buy fire insurance. The prime cause of excessive commissions is unregulated competition between insurance companies to obtain the favor of the middleman who controls the business of the insured. There are two obvious ways of enlarging a company's volume of business, one is by cutting rates, the other is by increasing commissions. "From the standpoint of the insuring public, competition in respect to commissions is ever more serious than competition in respect to rates. In the event of a rate reduction the public obtains at least a temporary benefit, but in the case of increased expenses, the public is invariably the loser. The public has the right to demand that companies do everything possible to eliminate useless expense and reduce the cost of insurance to the consumer as much as possible. On the other hand, is it any wonder that the public are turning in increasing numbers to mutual and reciprocal inter-insurance schemes which have as their prime object the elimination of the stock company acquisition cost.

All agree that the insurance agent should be adequately paid for his services. Competing agents earn their compensation by rendering services that are needed by the insured. But the measure of that service should be the measure of the compensation.

Masten Report Quoted

Frequent references were made to the report of Judge Masten by Mr. Foster in support of his vieys on the question of rate fixing. Following is a typical quotation from the findings of the learned judge:

"It is a matter of experience that unrestricted competition between insurance companies has inevitably led to rate-cutting and eventually to the failure or absorption of the weaker companise in the field. On the surface, open competition may for a time appear to be in the public interest by reducing the insurance cost, but even this is a doubtful benefit, owing to the discrimination in favor of large and influential insured which may, and undoubtedly does, prevail under such conditions."

CONTENDS PUBLIC CONTROL OF RATES IS NEEDED TODAY

(Continued from page 14)

for a moment the financial side, any loss of life is deplorable, and if a reduction in fire losses will mean a corresponding saving of lives, certainly here is something for consideration.

Excessive fire losses constitute an economical waste which the public should view with consternation. They are assets of the nation which are gone forever, assets for which there was no value received.

It is not a question only of excessive fire rates, the real evil lies in the stupendous fire loss occasioned by a wasteful, extravagant system. Property or values of any kind may be taken from one citizen by another and still remain a part of the nation's resources, but the property that is burned is a resource that is destroyed. The fire losses in the United States in 1913 were fourteen times the per capita loss in Europe. The European loss per capita is now higher than in 1913, but the best authorities estimate that at the present time the per capita loss in the United States is ten times the per capita loss in Europe. The per capita loss for the United States in 1921 was $4.70, in 1922 $4.90, and in 1923 over $5.00.

In the end any nation with excessive fire losses will feel the effect of this gigantic waste, and its future generations will pay dearly for its negligence.

No power on earth except the companies themselves can prevent the taking of bad risks and over insurance with its consequence evil effects. The companies will prevent this evil when they are forced to do so for their own protection, and can no longer secure rates based on other than economical and efficient management, careful investigation and inspection of risks, and proper accounting in rate making. When the companies stress underwriting instead of premium volume, when to succeed they must take only good moral risks and risks at their proper value, then automatically we will have a contraction of agencies and qualified agents only. Risks will be properly inspected, the moral hazard safeguarded, the rates lower and the public lose its suspicion of and antagonism for the companies.

A MILLION GOING

Halifax Herald: This Ottawa news despatch appeared in Wednesday's papers:

"An amount of $1,000,000 will be forwarded either tomorrow or on Thursday next to the liquidators of the Home Bank of Canada at Toronto, for distribution among depositors with claims under $500, it was said at the Department of Finance tonight."

This million dollars comes out of the people's treasury. The Dominion government pays it without a scrap of mandate from the people. Every Nova Scotian family has to contribute to the million dollars. They will look to the King government to tell them why they should be called upon to contribute. They want to know the reason why their money is being used for this purpose.

If the King government had not been stopped by the Senate it would be paying five and a half millions to depositors, many of whom are business companies and wealthy people—many of whom are better able to bear the loss than Nova Scotia people are to contribute.

The King government is dipping into the treasury in this case for one reason only: to try and make votes. This is its motive in taking the people's money and handing it over to persons who have no claim on the country.

NEWBOLD C. JONES
FREDERICK NEWTON
BRIAN HEWARD
JOHN D. MACPHERSON

JONES, NEWTON & HEWARD
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*.

CPTG

THE CANADA PERMANENT TRUST CO

Head Office:
CANADA PERMANENT BUILDING, TORONTO

PAID-UP CAPITAL ONE MILLION DOLLARS

Acts as
Executor, Trustee, Administrator, Guardian, Registrar and Transfer Agent, and in all Trust or Agency Capacities

DIRECTORS:
W. G. GOODERHAM, *President*
E. R. C. CLARKSON, *Vice-President*
GEORGE H. SMITH, *General Manager*
Col. A. E. GOODERHAM
F. GORDON OSLER
WILLIAM MULOCK, K.C.
WILLIAM STONE
GEORGE W. ALLAN, K.C., Winnipeg, Man.
A. B. CAMPBELL, W.S., Edinburgh, Scotland
NORMAN MACKENZIE, K.C., Regina, Sask.

Ontario Branch:
CANADA PERMANENT BUILDING, TORONTO ST., TORONTO
Manager: A. E. HESSIN

There is no substitute for quality in a cigar.

It's a Tucketts Preferred

Tucketts Preferred Perfecto Cigar

15¢ STRAIGHT

After all there is nothing so satisfying as a good Cigar

P3

Laurentide Company Limited

Annual Report

For the Year Ended June 30th, 1925

To the Shareholders:—

The net profits for the year ended June 30th, 1925, were $3,061,663.28, which after deducting interest and other charges amounting to $381,065.15 and reserves for taxes, depreciation and depletion amounting to $770,622.88, leaves the sum of $1,909,975.25.

Your Directors have deemed it advisable during the past year to further increase the Company's timber reserves, and feel that these reserves now stand at an amount, without wood from other sources, sufficient to supply the mills at the present rated capacity for some forty odd years. In addition to these reserves, they are going on with the reforestation program, having transplanted this past year about six million trees.

The Management feel that one of the most important points to which the pulp and paper industry should give attention to-day is proper methods of logging cost accounting. Without such methods, earnings may mean nothing. Incorrect or inaccurate information as to the cost of wood encourages unintelligent competition and induces unjustifiable financing.

The consumption of newsprint paper over the past year has been normal. The mills have been operated at about 93 per cent. of their full capacity. There is every indication that this normal rate of consumption will be maintained for the coming year, but there are no indications that it will be increased sufficiently to meet the development programs of the industry. Therefore your Directors deem extreme conservation advisable.

For the Directors,
GEORGE CHAHOON, JR.,
President.

Laurentide Company, Limited

WORKING ACCOUNT

For Twelve Months Ended June 30th, 1925

Profits from Newsprint and Cardboard		$ 2,631,394.76
Profits from Miscellaneous		38,711.24
Income from Investments		391,557.28
		$ 3,061,663.28
Deduct:—		
Interest and Other Charges	$ 381,065.15	
Reserve for Taxes, Depreciation and Depletion	770,622,88	
		1,151,688.03
		$ 1,909,975.25

PROFIT AND LOSS ACCOUNT

By Profits for year		$ 1,909.975.25
To Dividend on Capital Stock:		
October 2nd, 1924	432,000.00	
January 2nd, 1925	432,000.00	
April 1st, 1925	432,000.00	
July 2nd, 1925	432,000.00	
		1,728,000.00
Carried into Surplus		$ 181,975.25

BALANCE SHEET AS AT JUNE 30th, 1925

Assets

Fixed:—		
Mills, Buildings, Plant, Machinery, Timber Limits and Real Estate	$27,276,008.35	
Less:—		
Reserve for Depreciation and Depletion	3,382,256.39	
		$23,893,751.96
Current:—		
Investments	$ 5,258,552.32	
Cash on Hand and in Banks	8,793.41	
Accounts and Bills Receivable	973,100.44	
Logs and Logging Supplies	4,199,935.99	
Mill Supplies	836,694.11	
Miscellaneous Merchandise	140,061.71	
		11,417,137.98
Insurance Premiums Unexpired		62,077.51
Deferred Charges to Operations		51,935.15
		$35,424,902.60

Liabilities

Common Stock:—		
Authorized	$35,000,000.00	
Less Unissued	6,200,000.00	
		$23,800,000.00
Current:—		
Common Stock Dividend Due July 2	$ 432,000.00	
Accrued Wages	73,269.35	
Bank of Montreal	2,315,308.19	
Bills Payable	38,825.00	
Accounts Payable	1,038,776.97	
Unpaid Dividends	6,605.00	
Reserve for Income Tax	205,625.85	
		4,110,410.36
Contingent and Miscellaneous Reserves		225,360.54
Surplus at June 30th, 1924	$ 2,107,156.45	
Surplus for year	181,975.25	
Surplus, 30th June, 1925		2,289,131.70
		$35,424,902.60

Indirect Liability for Customers' Paper under Discount, $247,556.65.

Contingent Liability for Guarantee of Bonds of Laurentide Power Co. Ltd., $1,525,000.00.

Approved on Behalf of the Board,
CHARLES R. HOSMER,
EDWIN HANSON,
Directors.

AUDITOR'S REPORT

To the Shareholders, Laurentide Company, Limited:—

I have examined and audited the books and accounts of your Company, for year ended 30th June, 1925, and beg to state that I have obtained all the information and explanations required, and in my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs, according to the best of the information and explanations given to me, and as shown by the books of the Company.

The total amount of investments, $5,258,552.32, as shown in Balance Sheet, is less than market value.

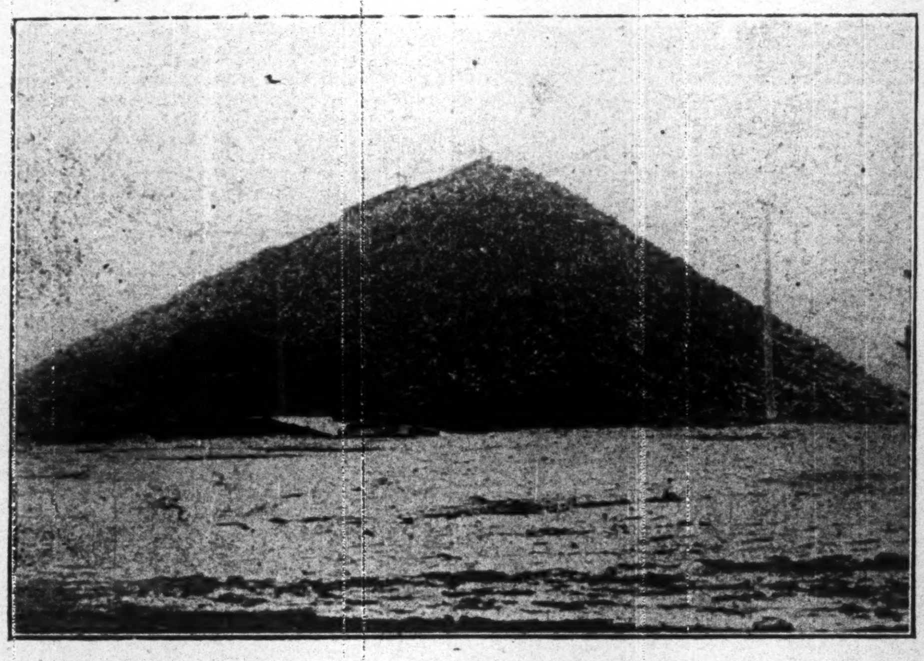
The various securities held, cash on hand, and Bank balances have been duly verified.

Respectfully submitted,
A. W. STEVENSON, C.A., F.C.A. (Can.)
Auditor.

Montreal, August 3rd, 1925.

ONTARIO

Millions of Cords Well Conserved Close to the Great Consuming Markets



Millions of Acres Still in Reserve With Waterways and Waterpower to Aid Development

A Mighty Asset in Her Pulpwood

IN THE pulp and paper resources of Ontario the province possesses an asset of incalculable value. The government is fully awake to this fact and to the importance of safeguarding this important industry. This is evidenced by the care taken in conserving pulpwood areas both from the devastation that comes through forest fires, and to the wastage due to the uneconomic operation of the limits.

With the co-operation of the thirty-six pulp and paper concerns whose plants are well established in Ontario, the government Department of Lands and Forests maintains a vigilant guard over this forest wealth.

While the existing mills have a pulping capacity of 850,000 tons of pulp and approximately 700,000 tons of paper annually, it is manifest that there is a large demand made upon these forest areas and every indication that this demand will be constantly increasing. So magnificent, however, are the available resources that there is room for even greater development.

Over and above the immense areas of growing trees found in the charted districts of Ontario, there is still the vast and only partially surveyed District of Patricia, with an area of some 146,000 square miles, irrigated by many rivers, that is at least partially covered with pulpwood only awaiting development.

But while the government is anxious to encourage new developments, it is adopting a conservative policy of discouraging over development.

Ontario's Pulpwood Resources

Total stand of pulpwood in cords	207,850,000
Available under present conditions, cords	128,000,000
Unalienated cords	118,986,700
Leased or licensed	75,110,000
Privately owned	13,753,300

Systematic Protection Assures Supply

Protection of the forest resources of Ontario from the ravages of fire is being steadily improved. More numerous fire rangers with smaller areas to supervise are able to discover and check incipient fires before they have a chance to do material damage. Settlers' slash fires are restricted as to season, and the likelihood of these fires spreading is therefore reduced to a minimum.

The aeroplane is also an important adjunct to forest protection, and it is being used extensively. With the aerial patrol, and with equipment powerful and portable for the quenching of fires as they arise, the loss in the forest areas is being materially reduced.

The development of the pulp and paper industry is in no small measure dependent on the hydro-electric development. Fortunately, in this regard, Ontario is particularly favored. Throughout the forest areas there run rivers and streams, well adapted for the running of logs in their long level stretches, and admirably adapted for power development in their cataracts. With the development of water power in excess of any other province in the Dominion, the Province has electrical resources at least five times as great. There are at least 5,800,000 h.p. of hydro-electric energy still awaiting development.

There are undeveloped water power resources adjacent to many of the vast areas of pulpwood, and these will undoubtedly be of service in the development of this great industry.

Waterpower is Important

There is more developed water power in the province of Ontario than in Africa, Australasia and South America combined. Few countries in the world have developed as much power as Ontario.

There is still a vast amount of undeveloped power in Ontario, easily available for commercial development. The presence of this power, together with great forest resources, assures Ontario's strong position in pulp and paper production.

Information is Always Available

The various departments are always able and willing to supply information. Maps, photos, figures and facts are set forth clearly in recent publications of the various departments, and these data are readily supplied to bona fide enquirers. Every legitimate aid is given by the Ontario government for the development of progressive and prosperity inducing industries within the province. Inquiry is invited from intending investors, or industrial concerns, investigating with a view to locating in Ontario.

Department of Lands and Forests

Parliament Buildings

TORONTO

12,500,000 Newspapers Every Day

The newsprint paper produced every day in the province of Ontario would print 12,500,000 copies of the ordinary 24 page daily newspaper. In addition, immense quantities of paper are produced for magazine and periodical publication and for thousands of business uses.

Thus the forests of Ontario keep the wheels of commerce whirring.

Seventh Annual Pulp and Paper Number

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-44 | PUBLICATION OFFICE: TORONTO, SEPTEMBER 4, 1925 | Special Section 17-44

More Newsprint Paper Machines

REVIEWING CANADA'S PULP AND PAPER INVESTMENTS

Capacity of Mills Continues Growth

What Larger News Output is in Figures

How Canada Will Fare as Production Climbs Further

INCREASE OF 15 P.C.

Canada May Produce 1,600,000 Tons This Year but Capacity is Going Far Above That

IN 1924 Canada produced close to 1,400,000 tons of newsprint and by the end of the present year the capacity of the mills will be well over the 1,600,000 mark. What the investor wants to know is how many more machines will be added to the present total, and how these additions will affect his invesment.

The easiest way of looking at the future is to ascertain the daily capacity of the Canadian and U. S. mills—then to compare this figure of daily production with the increase soon to be added. The present daily capacity of the Canadian mills is as follows:

	Tons
Abitibi Power & Paper Co.	500
Backus-Brooks Co., Ltd.	100
Bathurst Co., Ltd.	65
Belgo-Can. Paper Co.	372
J. R. Booth Ltd.	156
Brompton P. & P. Co., Ltd.	114
Canada Paper Co.	43
Donnacona Paper Co.	214
E. B. Eddy Co., Ltd.	160
Fort Francis P. & P. Co.	148
Fort William Paper Co.	136
Laurentide Co., Ltd.	388
News Pulp & Paper Co.	32
Ontario Paper Co.	309
Pacific Mills, Ltd.	45
Powell River Co.	250
Price Bros.	540
St. Lawrence Paper Mills, Ltd.	140
St. Maurice Lumber Co.	333
St. Maurice Paper Co.	273
Spanish River Pulp & Paper Co.	711
	5,029
Newfoundland	
Anglo-Newfoundland	217

Thus, Canada and Newfoundland can produce about 5,250 tons of newsprint a day as compared with a daily production in the United States of 5,212 tons. Note it is capacity in Canada and production in the U. S. A. that are being compared.

Will Be Augmented

This production is shortly to be augmented by mills which are either entering the newsprint field, or which are adding other machines. It will be interesting to see just what additional tonnage is to come on the market from this country during the next twelve months. The anticipated additions are as follows:

	tons
Anglo-Newfoundland	200
Port Alfred	100
Manitoba Pulp	200
Wayagamack	200
International Paper	400
Price Brothers	200
Backus-Brooks	150
Beaver Wood Fibre	100
	1,550

Here then is an addition to the capacity of the mills totalling 1,550 tons a day. Moreover this tonnage is not in the blue print stage, but will actually be on the market soon. The Port Alfred Pulp and Paper Corporation and the Manitoba Pulp and Paper Company will not be producing until well on in 1926, but, as far as the remainder of this new production of 1,550 tons a day is concerned, the machines should practically all be running by the end of the present year.

Still Other Projects

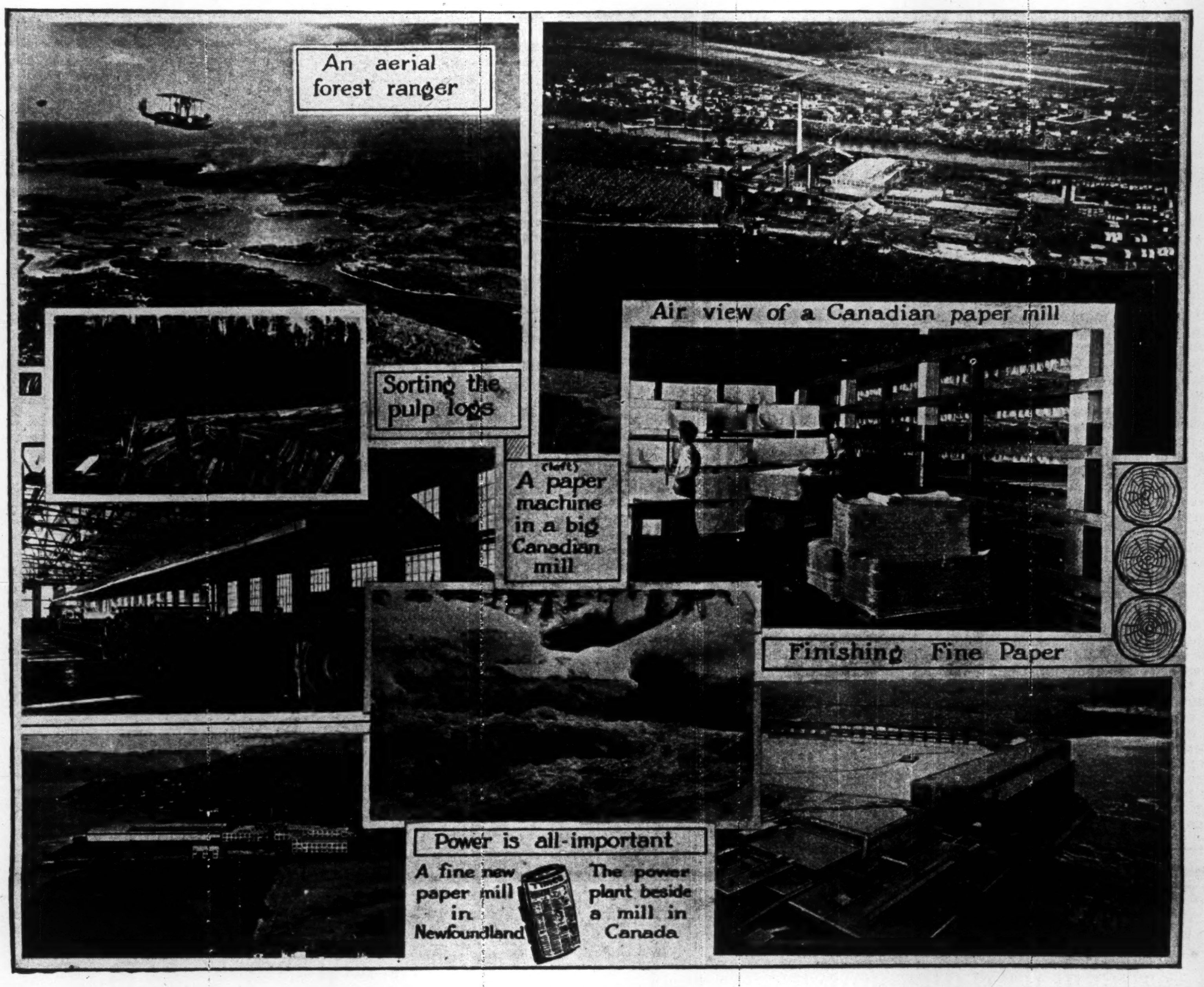
In addition to this increase, there are other projects such as the Anglo-Canadian Company which is to produce 200 tons at the City of Quebec, the addition of a further 300 tons to the capacity of the Abitibi Power and Paper Company and an ultimate capacity of the Port Alfred Pulp and Paper Corporation of 200 tons, instead of the 100 tons as quoted above, and the Donohue's at Murray Bay of 100 tons. These last, of course, are as yet projected, still they are a factor which must be taken into consideration when the future of the newsprint industry as a whole is considered.

This, then, is the situation. The total daily capacity of the mills on this continent is about 10,000 tons per day. Within twelve months—possibly less—this capacity will be increased by 15 per cent., possibly more. The question is, therefore, what will the result be when this large addition suddenly comes on the market.

May Go On Part Time

In the first place it is quite certain that for some time many of the Can-

(Continued on page 18)



An aerial forest ranger

Air view of a Canadian paper mill

Sorting the pulp logs

A paper machine in a big Canadian mill

Finishing Fine Paper

Power is all-important

A fine new paper mill in Newfoundland

The power plant beside a mill in Canada

How Will Companies' Earnings Be Affected by $65 Newsprint?

The Ultimate Success of Canadian Newsprint Companies is Assured — A Frank Discussion of the Effect of a Too Large Production

By RIELLE THOMSON
Eastern Editor, The Financial Post

THE ultimate future of the newsprint industry in Canada is assured because it has adjacent markets for its output and because manufacturing costs are low. The economic basis of Canada as a home for the newsprint industry is seen by the figures of newsprint production, which show that, while production in the States has remained practically stationary for the past ten years, in Canada it has mounted by leaps and bounds.

But while the ultimate future of the newsprint producers is undoubtedly assured, there is at present undoubtedly a surplus of newsprint production on this continent, which resulted some time ago in the announcement by H. Biermans, the president of the Belgo-Canadian Paper Company, that his company would sell its output at $65. a ton in 1926, instead of $70 a ton, which is the price which went into effect at the beginning of this year. It is, therefore, a good time for the holder of newsprint stock to take stock of the position and to figure out for himself just what the immediate future holds.

Will be $65 in 1926

For those who are in touch with the newsprint situation, it is generally felt that the 1926 price will be $65 a ton. As a matter of fact, several producers have been selling newsprint at a price below $70 a ton this year—indeed, it has been rumored that a company, in order to find a market for its paper, closed contracts at $63 a ton, within recent weeks.

All the newsprint mills naturally make their own contracts and for this reason, it is hard to ascertain exactly what current prices are. But, as far as the investor is concerned, he won't be far wrong in figuring that probably his company at the moment is getting something a little under $70 a ton for its output. Of course, some companies will be selling at $70 and, on the other hand, some will be selling at $69. Prices on this continent will probably be $70 a ton until January, but many companies ship overseas at less than this figure.

Now this price cutting must mean lower profits for companies in 1926. Canadian companies can market their products and make a profit at this price, but some of the smaller American mills will probably have their profits cut materially. There is no doubt that, if there should be severe price-cutting by Canadian mills, it would force many newsprint producers in the United States out of business, or else, to transfer their factories to the manufacture of sulphite paper. The lower prices go, the fewer operators there will be but, although lower prices may make things harder for American mills than for the Canadian, yet it will take considerable time before any one mill actually goes out of business.

Will Lose Money

It is quite probable that some American operators may not make the profits on their mills which they are entitled to on the money invested, but, at the same time, they will continue to operate them until such time as they have no operating profits. Indeed in Canada we have seen the same thing in some of our sulphite producers, which, although they were forced into liquidation or into the bondholders' hands, yet the output was not curtailed.

While it is unreasonable to suppose, therefore, that lower prices will curtail output to any appreciable extent for some time, yet the cut in price will undoubtedly further delay the building of those mills which are as yet only in the blue print stage. The output this year has increased since the beginning of January, therefore the announcement of $65 a ton for January might almost have been taken for granted, when it is considered that many mills for the first six months of the year have either been selling under $70 a ton or making freight concessions.

Will Make a Living

Those who know paper and its manufacturing costs feel sure that the companies can earn a profit at $65 a ton. Earnings will, of course, be reduced, but still the companies should make a good living. This applies more particularly to those mills which have, during the last few years, worked themselves into a good financial position and which have fairly low production costs. One who is closely and prominently connected with the industry told The Financial Post that it is the companies with the small production, coupled with correspondingly high costs, which will have the hard time standing the gaff, as far as newsprint production is concerned.

Canada's best market for newsprint is the United States—this is true, but really the market for newsprint is a world market. Here is the proof. Take the new mill which British interests are erecting at Cornerbrook, Newfoundland, which is coming into production this month. This mill will produce 400 tons of newsprint per day and the market will either have to be found in Europe or in the United States. If the company sells in Europe, it will cut out some of the Swedish manufacturers; if it markets its production in the United States it will also cut out some of the Swedish pulp which is turned into newsprint there. It is but natural to expect that this company may market its paper in New York rather than on the continent. After all is said and done, therefore, there is a definite demand for newsprint of only a certain amount, and its market is a world one, although most of the Canadian production goes to the States. The same thing applies, of course, to any other new producer coming into the market—no matter where he sells, he is trading in a world market.

Will Mergers Come?

The lowering of prices makes more imminent, naturally, confirmation of the mergers which are in the air. First of all there is the Spanish River-Abitibi merger and then there is the merger of those companies lying in the St. Maurice Valley, which was mooted some time ago. Many feel that the International Paper is probably destined to play a leading part in a merger which might come off along the St. Maurice Valley. The latter company has definitely indicated that they are eventually going to turn all their newsprint mills in the States into the manufacture of high grade papers and that their newsprint for the future will be made in Canada.

This being the case, it looks as if the International Paper Company, which is the largest manufacturer of paper in the world, might be in a position to work out some big plans with a number of producers in the Province of Quebec.

To come back to the price of newsprint, investors can be fairly sure that, although $65 represents a $5 cut per ton, it will be found that in reality the cut will not equal as much as this, when finally worked out in the earnings of the various companies, for, as has been said, some of the companies have already sold at under $70 a ton,

(Continued on page 18)

Paper an Equalizer

Abundant Paper Has Done Much to Educate People

The "great equalizer of mankind" is—paper! Perhaps no factor has exerted a greater influence in educating people than cheap paper. The free exchange of ideas between people gives a broad view of justice and equality. When books, magazines and newspapers began to be read by the great masses of people it became evident that all were much the same in desiring to live long, healthy and happy lives; in wishing to acquire wealth in quantities that will insure our best welfare; in wishing to be master over as many conditions as our abilities allow; in loving our relatives and friends; in defending town and country, and in desiring to satisfy our tastes for music, art and the records of people living similar lives to our own. With this view in mind, the people began to have the share of happiness which they were suited to enjoy.

Napoleonic Wars Built One Big Canadian Paper Company

The origin of the great business of Price Brothers and Company dates back to the Napoleonic War. At that time, Britain was urgently in need of material and sent a representative to this country to purchase wooden masts for the ships which the Admiralty required. The representative was William Price, then a young man of twenty-one. He came from Elstree, Hertfordshire.

When young Price had accomplished his job for the Admiralty, he went into the lumbering business here in 1817. From that has developed the great company of to-day with many thousands of miles of timber limits and thousands of employees.

The original Price of Price Brothers had fourteen children. Three of these, William, David and John, he took into the business as partners. Another son, Henry, was something of a rover and spent part of his time in South America. This is the reason why Sir William Price, who was a son of Henry, was born in Chile.

Looks Back to See What Future Holds

Record of Past Inspires to Confidence in the Future

NEW USE FOR PULP

Canadian Output Grows as Additional Outlets for Production Are Found

AN INVESTOR in any pulp or paper company may feel that the only thing which interests nim about the industry is its future—in the majority of cases this is true, but there will be those who might care to examine the past a little more closely, and through this, perhaps their views as to the future might either be modified or broadened.

It is interesting to review the history of paper on this continent, to see the growing diversification of its uses, to consider the uses of products closer related to paper, and possibly to forecast the future of paper itself, bearing in mind that paper is not only an index of civilization but also probably the prime factor which has made our present civilization and democracy possible.

At the time of the American Revolutionary War, there was not enough paper to be had to wad the guns, or for the officers to write their orders upon. By 1810 the use had increased to about 1 pound per capita on this continent. Forty years later it had grown to between 8 and 9 pounds; about the time of the American Civil War consumption bounded up to 25 pounds, and at the beginning of the present century to 57 pounds; all this culminated in a consumption of 150 pounds in 1923. Last year the Americans, and probably the Canadians, consumed more than the nation's weight in paper.

Figure on U. S. Consumption

As the United States is our great customer for pulp and paper, we must figure on the consumption in that country, which, should it continue at the same rate, means that by 1950 there will be consumed in that country 350 pounds of paper a year for every inhabitant, man, woman and child. Since 1875 the United States has been the largest manufacturer of paper, and of course also, the greatest market for paper in the world. But Canada is catching up—and catching up fast. By 1926 our production of newsprint will have surpassed that produced by American mills. As the United States uses well over 50 per cent. of the world's paper, it can be seen that Canada is in an exceptionally favored position to meet that country's needs. Moreover, the industry here, especially the newsprint industry, need never fear American competition, as our mills can produce more cheaply than the American. Of course, we cannot ship paper into that country because of the duty, but chemical pulp enters free and we are also in a position to make and ship the pulp cheaper than the American mills.

The Advances Made

The adoption of power was the most radical advance made by the paper industry. This occurred in 1850. The next advance came in 1869 when wood was first used largely as a raw product. Between 1900 and the present time, the growth in the use of paper kept pace with the growth of the United States, which changed from an insignificant country into the largest and one of the most highly organized countries in the world.

The use of paper in the United States has, as can be seen, made tremendous strides and it has left all other countries behind it in per capita consumption. The per capita consumption figures for other countries are as follows:

Russia	13
Japan	16
Norway	33
Germany	45
Great Britain	75
United States	150

Even supposing that the Americans should not continue to expand their paper consumption, judging from these figures it appears that there is immense room for expansion in other parts of the world—the Canadian pulp and paper industry can compete in that field too.

The Newsprint Percentage

It will be interesting, though, to see just what part of the consumption of paper in the United States is occupied by newsprint, as that is the commodity which Canadians are most interested in as far as the exports of paper go. We supply, of course, a tremendous amount of sulphite which

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How Will Companies' Earnings Be Affected by $65 Newsprint?

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whilst others have made freight concessions.

Will the price of paper remain at $65 a ton or will there be further cuts? If there is a real surplus production on the market, it seems possible that further cuts might be in order—indeed, looked at in a calculating way, it might be, that a really larger cut than this, say for six months, would go a long way towards clarifying the situation and turning many manufacturers in the United States into the production of other grades of paper. Here in Canada we have practically no small newsprint mills. The situation is different in the United States, where there are a large number of little mills which produce anything up to 80 tons a day of newsprint. These smaller units could not stand a big cut, whereas the Canadian mills, due to their low costs, cheaper production and the financial strength which has been woven into them over the past few years of prosperity, would be able to stand the strain of anything in the nature of a price war.

During the past few years Canadian newsprint companies have been getting themselves into excellent financial shape and have been setting their house in order against any possibility of too keen competition. They are ready to meet it.

Future Not Bright But—

There is no use evading the fact that at the moment the future of newsprint prices looks other than bright but this does not necessarily coincide with any doubts which investors may have about their holdings in newsprint companies. All that has been said so far, might have been said one year ago, when newsprint prices dropped.

As far as the individual company is concerned, the position is this: in order to meet fixed charges and dividend requirements, most of the Canadian newsprint companies, that is the larger ones, require profits of about ten to thirteen dollars a ton on each ton produced. With newsprint selling at $70 a ton during the past year, it is safe to say that earnings have averaged between twenty and twenty-five dollars a ton. Some of the high cost producers might have made only $18 a ton, while those with very low production costs might have reached $26 or even $27 a ton. Therefore it is safe to say that the newsprint companies can stand the $5 cut without giving the shareholders any cause for worry.

Earnings Are Assured

The figures of earnings on each ton produced can be figured out by the shareholder for any individual company. He knows the annual production in tons and he knows, from the last annual statement, interest, fixed charges and depreciation charges. In order to find out the profits needed to pay all these, all that is necessary is to divide the one into the other. By dividing the tonnage into the total profits it can be ascertained what the profits per ton were during the last fiscal year of the company.

However, it is wise to remember that most companies will provide an over-liberal amount for depreciation and other items which affect the results, and again, it is to be remembered that tnis is but a rough and ready method of ascertaining the profits made on each ton produced and, for that reason, some companies must make a poor showing in an analysis of this nature, due to not taking into consideration such factors as the profits from other lines, such as possibly groundwood or sulphite, which each mill may or may not possess. Again, during the last few years many companies have been building themselves into better positions by making capital exepnditures out of earnings. All this has bettered their financial position and places them in such shape that they are ready to meet any emergency.

United States Imports Drop

There is another side to the situation. Imports of newsprint by the States during the current year from Europe have fallen off considerably from 1924; there is also the hope of the trade treaty with Australia, which will open that market to the Canadian manufacturer. As far as the companies themselves are concerned, costs have been cut. An example of this lies in the lower cost of groundwood pulp, which constitutes over 80 per cent. of the raw materials from which newsprint is made. This is now selling at about 25 per cent. below what might be considered a normal figure. The companies can, therefore, should they desire, take advantage of these lower prices. Again, the prices of everything during the past few years have been falling and this helps the companies also. Wages, too, are lower.

Publishers Are Worried

One other thing—the publishers in the United States are seriously concerned at the lowered prices of newsprint. It does not seem reasonable, but it is so. Publishers' advertising rates have all gone up, that is, since the war period, and their circulation rates are higher, too. The publishers know that, should newsprint prices get too low, there will be a definite demand made to them to either lower the prices of their papers or lower the prices of their advertising. This they are naturally reluctant to do, because they realize full well, that should they do so, consumption would increase and the size of the papers would increase also. This means that the newsprint surplus production would be used up and prices would bound up again. All this would react most unfavorably on the publishers, and it is one thing which they are doing their utmost to avoid right now.

Investors in the newsprint stocks who might be inclined to feel downhearted at the indications of a drop in newsprint prices, should remember that a permanent scaling down is hardly to be expected, as it would not really be surprising to see a gradual increase in the price of newsprint when the depletion of the forests is considered. Even such a large and careful buyer of paper as Hearst foresees much higher newsprint prices in time, with higher prices for papers—5 cent dailies and 10 cent weeklies.

The present situation is one of adjustment. It is quite possible that many mills which cut prices will be amongst the first who will have to drop out of the manufacture unless they are modern and efficient. The important thing about it is that these inefficient mills are largely American or foreign; they are not the Canadian companies.

What Larger News Output is to Mean to Canada

(Continued from page 17)

adian mills will operate on part time. Some investors appear to believe that any mill which has to operate at anything less than 24 hours a day and seven days a week can not make money. This reasoning appears faulty, for have not the majority of industries, both here and United States, been operating at less than full time for many years, yet other industrials have operated under these conditions and made money for their shareholders. Is there any reason to doubt then, that the pulp and paper industry cannot live and, indeed, make money under conditions which have not handicapped others.

There are other factors which indicate that the Canadian newsprint industry will continue to advance. The most frequently quoted is the fact that the American mills will not be able to stand the competition from this side of the border due to our lower costs, and the proximity and abundance of our wood supply. There is one other thing in connection with the competition between our mills and the American mills which is not to be forgotten; many of the U. S. mills have only a small production, and naturally, will operate with higher costs than the Canadian plants whose daily tonnage is practically all over 100 tons.

Have Small Output

Over 60 per cent. of the American companies produce less than 100 tons a day. Here is the list of the American companies in the newsprint industry.

	Tons
Alexandria Paper Co.	40
Algonquin Paper Co.	80
Arrowhead Mills, Inc.	21
Cliff Paper Co.	38
Consolidated Water P. & P. Co.	250
Crown-Williamette Paper	250
De Grasse Paper Co.	176
Escanaba Paper Co.	117
Finch, Pruyn & Co.	133
Fyambeau Paper Co.	25
Gilman Paper Co.	48
Gould Paper Co.	94
Grandfather Falls Co.	33
Great Northern Paper Co.	737
Great Western Paper Co.	58
Hanna Paper Corporation	194
Hawley Pulp & Paper Co.	26
Hennepin Paper Co.	35
High Falls Pulp & Paper	25
Inland Empire Paper Co.	94
International Paper Co.	1041
Itasca Paper Co.	54
Kennebec Paper Co.	55
Manistique Pulp & Paper	63
Minnesota & Ontario Paper Co.	244
Nekoosa-Edwards Paper Co.	33
Northwest Paper Co.	43
Oswegatchie Paper Co.	46
Oswego Falls Corporation	35
Peiapscot Paper Co.	123
Pettebone-Cataract Paper Co.	27
St. Croix Paper Co.	177
St. George Paper Co.	31
St. Regis Paper Co.	172
Sherman Paper Co.	52
Tidewater Paper Mills Co.	103
Washington Pulp & Paper Corp.	130
Watab Paper Co.	27
Waterway Paper Products Co.	38
West End Paper Co.	34
Wisconsin River Paper & Pulp Co.	68
Total	5,212

It must not be forgotten that this is a list of companies, and not a list of mills and that some of these organizations are composed of numerous mills which have in many instances total capacities of under 100 tons each day. Anyway the comparison of the daily capacity of these companies with the Canadian producers is interesting, for out of 43 U. S. producers, 27 make less than 100 tons a day, whereas, out of 21 Canadian companies, only 4 produce under 100 tons. Moreover, with but few exceptions, each individual company's production comes from under one roof. The point is this, that whilst Price Brothers produce 540 a day, this company's costs will be lower than a U. S. concern which has an equal production but whose tonnage may come from several mills.

Canadians Have Advantages

Undoubtedly, then, the Canadian operators have the advantage in lower mill costs and lower wood costs. There can be no reason to doubt that many U. S. producers will turn to other lines of endeavor, especially so is this in the case of the many companies whose timber resources are running low.

Now as to the additional 15 per cent. capacity which is to be added to the newsprint production on this continent during the coming year. The pessimists say that this means a definite over-production and that the surplus will be thrown on the market and so depress prices that no one will make money. This attitude does not appear reasonable, for should business in the U. S. prosper, and indications point this way, the newsprint demand in that country could easily be increased by 15 per cent. within a year.

One other thing, should the Canadian newsprint companies sell at cost, even for a few months, it would have a drastic effect in reducing the number of U. S. producers which, in turn, would move prices upward once again. Although the Canadian overseas market for newsprint is small, yet it is increasing rapidly, and it is thought that 1926 will see a large increase in overseas exports; this is indicated by the increasing purchasing power of Europe and also the Australian treaty which will allow our newsprint to compete with the British product in that market.

Won't Lose Money

Again even admitting a surplus production, there is no reason in the world why newsprint companies cannot reduce their output and at the same time make money.

The fear of investors holding newsprint stocks is the possibility of prices being cut until all operators are losing money. This fear does not seem altogether reasonable although there is that possibility, because in other lines of industry, competition may be keen, but at the same time it is rarely keen enough to do away with profits.

The publishers, too, know well enough that if prices fall much lower, they will be asked to again sell their papers at 1c. which would mean that the retailers would have a higher percentage of profit, a thing not to be desired as, as far as the publisher goes, he can now often meet his paper costs by the circulation revenue.

Taking the broad view of the newsprint industry, there seems no reason to cry "wolf, wolf," for practically all Canadian companies are in a sound financial position and are engaged in a business for which Canada has all the natural advantages and which, therefore, will grow. Like other industries it will pass through unfavorable periods, but these should not disturb the investor who is in a sound company and who has bought his stock because of the sound economic basis on which this industry rests.

Looking Backward Shows Possibilities of the Future

(Continued from page 17)

goes in the making of the other grades. The figures following show the consumption by per cent. of the various grades of paper in the United States:

	Per cent.
Boards	31
Newsprint	21
Books	15
Wrapping	14
Felts, etc.	6
Fine writing	5
Tissue	2
Hanging	1
All others	5
Total	100

A Wide Variety

Aside altogether from the staple grades of paper there is an enormous variety of specialized paper products which are more and more coming into use. Only a few are mentioned:

Paper drinking cups, paper towels, paper bandages for hospital and sanitary uses, cellu-cotton (paper batting like cotton batting used by barber shops and others), paper milk bottles, paper oyster cans, paper cans for Dutch Cleanser and similar cleansing products, parchment paper for butter, bacon, hams, etc., greaseproof paper for similar uses, cellophane (transparent paper for wrapping candy and other box goods), paper for electrical insulation, filter paper, fibre boards for trunks and suit cases (paper run through 30 per cent. solution of zinc chloride and subjected to hydraulic pressure, hard, horny and durable), leather-board, wall-board, felt paper for linoleum backing (this has brought a great development in the use of linoleum), balsam wool (a cellulose batting between sheets of paper for house insulation against cold), sheathing paper, roofing paper, paper shingles, carpet paper, waterproof paper for use between rows of crops to prevent weeds, paper twine, paper rope, plaited paper cord to relace rattan in wicker furniture, paper rungs, paper cloth, paper shoes, paper hose, paper shirts, paper collars, paper handkerchiefs, paper napkins (the last six were developed in Germany for war uses; they answered the purpose, but lacked durability to stand repeated washing), papier mache, paper for carving and paneling furniture and woodwork, paper burlap for sacks, paper matting for suit cases instead of rattan, paper sausage skins (more sanitary than animal sausage skins), paper plates, carbon paper.

These are a few and only a few of many special uses of paper which are growing daily. There is a fertile field for the development of new uses.

All this leads but to one conclusion: that there is a bright future in store for our pulp industries.

The Laurentide Co., Limited
Grand' Mere, P.Q., Canada

Manufacturers of
Ground Wood Pulp
Sulphite
Wood Boards
Newsprint

AFFILIATED WITH
Canadian Export Paper Company
Canada Cement Bldg. - Montreal, Quebec

From Grand'Mere to Three Rivers; an Industrial Vista

By J. RIELLE THOMSON

IT IS really only a few years ago that the idea of the valley of the St. Maurice River as an industrial centre would have been scoffed at. Times have changed and changed rapidly. At Grand 'Mere, about thirty miles up the river from Three Rivers, lies a perfect little town dropped down in the midst of the Laurentian Hills. Grand 'Mere is the home of the Laurentide Company, which has laid out this model town in what might be called the wilderness, only the name doesn't apply, as the country thereabouts is far too beautiful. It is said that for every ton of newsprint that Laurentide produces, anywhere from $2 to $5 of the cost of production is represented by the cost of building a liveable community where the workmen may live in comfort surrounded by humanizing influences. The town itself is composed of the dwellings of the employees, each house has its garden, and the town is laid out with parks and other advantages which make it a liveable and inviting community situated on the banks of this fine old river. In Grand 'Mere there is never labor trouble, because the employees are interested in the company and its welfare and many are shareholders. Some 15,000 shares of the Laurentide stock is owned by employees actually living in Grand 'Mere and working in the mill.

A Broad Work

The work of the Laurentide management in regard to employee relations is broad, and goes a great deal further than merely providing them with comfortable homes. It includes such things as a dairy which provides insurance against sickly babies and unhealthy workmen. There is also a health service which is remarkably wide in its functions, ranging from a modern hospital which works hand in hand with the local physicians, to a dental clinic, which operates along similar lines. All the employees of the company are insured under a group insurance scheme. There is also a sick benefit fund. Employees are urged to buy stock in the company—this they do at a considerable saving as they buy from the company direct and not on the open market.

The town has its delightful inn, which can compete with any hostelry in Canada in its attractiveness to visitors. Then there is a golf course and a community club, all set down in these ideal surroundings.

Plant Surprises Visitors

To the stray visitor who is unaccustomed to seeing paper companies, the strange thing about the town is the Laurentide plant. Here is a vast pile of logs, in the summer months continually made larger by the additions which are being piled up from the booms in the river—a real forest with the bark removed and branches cut off and dumped in one immense pile beside the pulp and paper mill. Running right up to the mill and the wood pile is the town which surrounds the plant.

At Grand 'Mere the river is dammed; incorporated with the dam is the power house where the great dynamos tear around and provide energy for the pulp and paper making processes. Both the Laurentide mill and the Laurentide Power Company plants might almost be described as being pretty. Everything is done to keep them as neat and as bright as two new pins.

Down to Shawinigan

It is with regret that one steps on the train and takes the twenty minute ride to Shawinigan Falls, for at Grand 'Mere, not only every prospect pleases, but every man has a smile; it is one of the few towns in Canada where the stranger is made welcome by the delightful inhabitants.

It is indeed a different sight which greets the eye of the traveler when he steps off the train at Shawinigan Falls—electric locomotives dart hither and thither, whistles blow, mills and factories roar, while the falls themselves present such a sad appearance as compared with a few years ago, when the water rushed down the rugged cliffs instead of down pipes, maybe twelve feet in diameter.

Shawinigan Falls is a really big industrial town; all due to its abundant power supply, and here are gathered many of the electro-chemical and electro-metallurgical industries which need abundant and cheap power. Here, too, is the Belgo-Canadian Paper Co., which until a year or so ago was entirely owned by Belgian interests, and indeed many of the executives are still Belgians, including the president. At Shawinigan Falls the St. Maurice River makes a big swing and almost doubles back on itself. On the point of land so formed lies the town. The falls themselves, due to the increasing demand for power, have been almost completely shut off, and in their place, great pipe lines carry the water down to the lower levels where it moves the turbines of the Shawinigan Water & Power Company.

The Belgo-Canadian

The logs of the Belgo-Canadian Paper Company come down the river and are shot from above the falls down into the company's mills, which are situated considerably below the upper level of the water. The first things to catch the eye of a layman at Belgo are the steel towers surrounding the immense wood pile. These spray water from a considerable height on to the pile and in this way keep down the risk of fire, which, by the way, is the one thing a pulp mill executive dreads and the one thing which he most tries to avoid.

The Belgo-Canadian Paper Company, due to its position between the upper and the lower levels of the river, uses hydraulic power to turn over some of its machines.

Near the falls there is a chute which lets the logs for the companies at Three Rivers carry on their way down stream. To the layman it is interesting to watch the log cullers take out the logs belonging to one company and to send the others on their way.

Logging on the River

The actual logging on the St. Maurice River is done by one company; this concern sorts out the logs for the various paper companies; takes out the Laurentide logs at Grand 'Mere, the Belgo-Canadian logs at Shawinigan Falls and sends on the logs of Wayagamack, International Paper and the other companies at Three Rivers. Each company has its own sign which it puts on its own logs; for instance, Wayagamack places a big "W" on the end of the logs and another sign on the side of its logs at either end. Naturally, Wayagamack will get some Laurentide logs, and Belgo will get some International logs. However, track is kept of all of this and payment is made in logs.

On to Three Rivers

The train slips down the long grade from Shawinigan Falls to Three Rivers in about an hour, where the seeker after knowledge, after spending two pleasant nights, one at the Laurentide inn at Grand 'Mere and the other at the Cascade Inn at Shawinigan Falls, which is equally comfortable, is surprised to find that he stays in a place called the Chateau. In the foyer of this Chateau there is a fountain where, by pressing various little buttons, the weary traveler refreshes himself with more than ordinary ill-tasting mineral waters. At Three Rivers the paper companies are well represented with the St. Maurice Paper, the Wayagamack Pulp and Paper, the International Paper and the St. Lawrence Paper companies. These companies are in a fortunate position, as the logs which they manufacture come right to their back yard by river and their front doors are on the deep water channel of the St. Lawrence, which permits shipping the finished product anywhere. The town of Three Rivers gets its name from the fact that at the mouth of the St. Maurice there lie two islands, so that in going up the St. Lawrence one sees apparently three rivers emptying into that great stream.

The Wayagamack Pulp and Paper Company is situated on one of these islands at the mouth of the river, where they have for many years made kraft paper, in other words, brown wrapping paper. The St. Maurice Paper Company lies at Cap Madeleine, on the easterly bank of the St. Maurice where it joins the St. Lawrence. Three Rivers lies on the west bank of the St. Maurice. The Wayagamack Pulp and Paper Company are at present completing a 200 ton newsprint mill, and the International Paper Company are also completing an addition to their mill which will enlarge the output to 700 tons within the next few months, and a further 200 tons will be added later. The St. Lawrence Paper Mills made its bow to a larger section of the investing public a couple of years ago when it put out a bond issue. This company lies a little to the west of Three Rivers, and was organized by Noah H. Timmins, and his associates of the Hollinger Gold Mines. This plant turns out newsprint at the rate of 160 tons a day.

The St. Maurice Paper Co. is controlled by one of the big three in the U. S. paper industry, the Union Bag & Paper Company. A feature of this mill is that in addition to turning out newsprint it manufactures kraft pulp, sometimes referred to as sulphate—this is sold to its parent company for manufacture into bags.

Wayagamack Island, the home of the largest kraft manufacturers in the world, differs little from the aspect presented by a newsprint mill. After the pulp is "cooked" it has a rich brown color instead of being white, while the paper machines operate not quite so fast and have larger rollers for drying the wrapping paper, as it goes through the machines. The new building which is to house Wayagamack's new paper machines is in reality nothing but an extension to the present plant. The erection of the plant is, to all intents and purposes, completed and the machinery is ready to be moved in at any time. The brown wrapping and other types of kraft paper come out of the machines in a wide strip. The large reels then are carried to the cutting room, where they are cut up into the various sizes according to their future use. Many go out in the form of small rolls and later may be seen adorning the counter of some prosperous retail store.

Such is a small picture of what all may see of the paper industry in Canada by making the short trip down the St. Maurice River, from Grand 'Mere to Three Rivers.

These Technical Terms, An Easy Explanation

What's all this chitter chatter about sulphate, sulphite, groundwood, pulpwood, wood pulp and newsprint; what's it all mean, and what's it all about? says the investor who hasn't the time to read a technical treatise on paper-making. Well, it's really not very hard to follow. Pulp is nothing more than mashed wood. There are different ways of mashing it. The term pulpwood usually means spruce, as this is the best wood with which to make paper. Wood pulp, then, is simply this spruce all mashed up. There are several ways, though, in which it may be made into a soft pulpy mass. First, it may be ground on a grindstone, very similar to the old grindstones which one sees in the woodshed of a farm, only considerably larger in size. The wood is forced down to the grindstone, and when it comes out it is mixed with water and it is then referred to as groundwood pulp, or more frequently groundwood.

There is one other way of making pulp. This is the chemical method. The logs are made into chips about three-quarters of an inch long. The chips are placed in a mild acid, and are then put into an oven which has steam in it under pressure. This is known as chemical pulp. The wood fibre is broken up by chemical means instead of by mechanical means. So that you have only the two classes of pulp—the mechanical pulp or groundwood, and the chemical pulp. There are two kinds of chemical pulp, though. One is known as sulphite and the other as sulphate, depending on the kind of agent which is used to dissolve everything other than the pure wood fibre. Sulphite pulp is used in the manufacture of high-grade paper. Before going into the paper machine, it is of course, bleached to make it pure white. In addition, about 20 per cent. of newsprint, or more simply, newspaper paper, is composed of sulphite. The sulphite pulp is mixed with the groundwood pulp and then it goes into the newsprint machine.

Sulphate pulp, on the other hand, goes to the making of brown wrapping paper. This is ofttimes called kraft paper, and the pulp, kraft pulp. It is a rich brown color—hence the color in the paper in which wives frequently force husbands to carry home parcels of bananas on Saturday night.

Additions to Newsprint Output in Past Year

Additions to the productive capacity of the mills during the year 1924 included one machine each at Donnacona, Belgo-Canadian and Kenora, and two machines at Price Brothers. Two machines were also added to the St. Maurice Paper Company, one of which commenced operation at the end of last November, and the other at the beginning of the new year. The capacity of the mills at the beginning of 1925 was 615 tons greater a day than it was at the beginning of 1924; a further increase of 100 tons which was added in April of this year.. The second best customer of Canadian newsprint was New Zealand, closely followed by South Africa; it is interesting to note that shipments to England have been made regularly for just about a year now. During 1924, shipments to Australia were recorded during 3 months only, and totalled but 619 tons. However, the trade treaty, which it is expected will be ratified by the Australians will result in much increased shipments of newsprint to that country, and place the Canadian companies on an equal footing with other producers.

The Manufacture of Newsprint; A Picture of the Machines

BESIDES every newsprint mill stands its great wood pile. The size of the pile varies with the time of the year, for the company, from spring to autumn, is rushing its logs from the forest to the mill; the logs are cut into short lengths, about 3 feet long, and then the bark is removed and they are dropped on the wood pile by a conveyor. In the autumn these piles are of mammoth dimensions and through the winter a great portion of the wood is used up. With the spring the logs again float down the rivers and the wood pile is again built up in preparation for the next winter.

The short logs are conveyed mechanically into the pulp mill by a conveyor from the wood pile. For making newsprint the logs are then turned into groundwood or, as it is sometimes called, mechanical pulp. This is done by machines called "grinders," which are nothing more or less than the old familiar farm grindstone, only of considerably increased dimensions and performing at a high rate of speed. Against these stones hydraulic power presses the logs and the water plays on the wood. The result is a soft, squidgy mass, which looks like torn-up, wet particles of newspaper.

Mixed With Sulphite

This wet mass, then, is what is known as pulp, but if such pulp were used in the manufacture of newsprint, the product would lack the strength required which has to withstand the strain imposed by high speed newspaper presses, which roar around and spread the news to as many as half a million people within the short space of an hour or two.

Parenthetically, it might be added that this explains why a morning newspaper is always much better printed than an evening paper—the latter must get the news in the morning and in an hour or two rattle several hundred thousand copies off the presses, whilst the morning papers have more time for make-up and more time for actually running the paper through the presses.

To come back to the groundwood pulp, though. Because the wood fibres, when pressed on the grindstone are crushed and torn, it can be seen that they lack the required strength for the high speed presses and, therefore, it is necessary to correct this deficiency. This is done by means of a chemical pulp or "sulphite" pulp, the manufacture of which involves a much more costly process and which preserves the whole of the wood fibre.

Wood Fibre Like Cotton

To understand the process, it's perhaps easier to liken wood fibre to, say, cotton fibre; in the groundwood process these minute fibres are broken up and there is a considerable portion of foreign substance remaining in the pulp. Sulphite pulp, on the other hand, is made by soaking the wood chips in a mildly acid bath which eats away everything but the pure cellulose or wood fibre. Hence, sulphite pulp has long, pure fibres, with greater tensile strength.

A few newsprint mills buy their sulphite pulp, whilst mostly all make it themselves. If it is bought, it comes in big slabs, something like cardboard only much thicker.

The mechanical pulp and the sulphite pulp are then all mixed together—of course, during the whole process the pulp is carried in water—the groundwood and the sulphite are thoroughly mixed in machines, and when this is finished, it comes out in the form of a thin, milky-white fluid. To this mixture such fillers as clay and any necessary coloring material and sizing are added. Like any other product which is intended to be pure white ,it is necssary to put in such colors as blue; this is done before the pulp is turned into paper.

Next comes the paper machine. This is known as the Fourdrininer machine, and may be divided roughly into three sections: the fourdrinier part, the press part, and the dryer part. The stock or, in other words, the diluted-with-water pulp comes to the machine and flows on to a broad wire screen belt which is continuously horizontally driven forward at a high rate of speed and is supported at various points by rollers. It frequently has a lateral horizontal movement, which shakes the fibres and interweaves them in all directions. The milky pulp flows on to this broad screen which carries it forward about twenty feet at a high rate of speed. As the pulp moves forward along the screen, much of the water drops out and in various places underneath the screen there are suction boxes which also help to remove the water. By the time the pulp gets to the end of the screen it is no longer fluid, it is pulp, although it is very wet. The pulp goes into the press part of the paper machine. By this time it will be seen as a wet, weak sheet of pulp. On leaving the screen, it goes on to broad, endless belts of felt through various press rolls, where it is dried and pressed.

By the time it has been pressed, the pulp contains 60 to 70 per cent. of water, but it looks more like paper than like pulp. In the form of wet paper it passes into the dryer part of the machine, where is revolves around a tremendous number of steam-heated cylinders which evaporate most of the water and leave only 7 to 10 per cent. in the finished paper. At the end of this machine the great rolls of paper pour out and are wound on reels. After a certain amount of paper has come out of the machine on to one reel, the reel is removed and another one substituted. It is then re-wound to make it lie perfectly on the reel, and slit into the required width and re-wound for shipment. The paper comes out of the machine so quickly that it generates a considerable amount of static electricity and, standing before the machine with the paper pouring out, one can feel from the tips of the fingers the electrical discharge. Indeed, if the hands are placed near the paper, sparks an inch or two inches long dart out to the great whirling cylinder.

All Papers Similarly Made

This is the principle upon which all papers are made, whether newsprint or kraft or fine book paper. Super-calender paper, that is paper with a fine smooth finish, is made by giving a final polishing by means of passing it through a set of smooth iron rolls called calenders. There are, of course, many variations of machines, according to the type of paper product.

The whole process is exceedingly simple to describe, but the long Fourdrinier machine with at one end the screen and at the other the numerous heated rolls, presents a very complicated appearance to the visitor at the mill. The actual making of paper is nothing more or less than getting the pulp in a wet sheet and squeezing it and removing the moisture. It sounds simple but the technical staff of all the mills will tell you that it is a hard job to keep on producing day after day paper of the same grade from various different stocks. Naturally, there is always a certain variation in the wood supply and this must be corrected in the paper machine, or by mixing with the sulphite pulp.

The temperature in the paper machine room is always high and damp; the employees are rushing around usually only clad in a pair of trunks and something that might once have been a bathing suit.

ST. MAURICE

TRADE MARK REGISTERED

ST. MAURICE

FROM its beginning St. Maurice Paper Company, Limited, has enjoyed an enviable reputation with both investors and customers. The Company occupies a unique position in Canada's leading industry.

Wood sufficient for the life of the plant is represented by long-term leases on Crown lands and by our own freeholds, mostly located in St. Maurice Valley. Location of mills enables raw materials to reach plant with minimum handling, and insures low *material* costs. Modern equipment and plant supervision are achieving a record, moreover, in low *operating* costs. And the management has placed a most conservative book-value on the properties.

An important factor in the success of the company is, of course, the high esteem its products have won each in its particular market. Repeated voluntary testimony from a number of publishers, moreover, demonstrates that St. Maurice Newsprint (Trade-Mark Registered) is consistently the best newsprint produced on the North American Continent.

ST. MAURICE PAPER COMPANY, Limited

Manufacturers of St. Maurice Pulps and St. Maurice Newsprint

EXECUTIVE OFFICES • BOARD *of* TRADE BUILDING • MONTREAL

Abitibi Power & Paper

Has Acquired Much Additional Power Through Purchase of Hollinger Plant Which Will Result in an Increased Production

The most important event in the career of the Abitibi Power and Paper Company during the past year has been the acquisition of the Hollinger Gold Mines power plant. The addition of this increased supply of power, when added to the company's old output of 55,000 horsepower from its plants at Iroquois Falls and Twin Falls brings the total power developed by the company to 90,000 horsepower.

The old Hollinger plant was acquired by the Abitibi Electric Company, a subsidiary, which is entirely owned by the parent concern. At the present time Abitibi are employed in erecting a line from their plant to connect up with the old Hollinger transmission line. The purchase of the new power plant was financed by a bond issue placed on the subsidiary company, which was formed to take over the development. The acquisition of this additional power means that the company will instal three new paper machines, which will eventually give the company an additional output of 300 tons daily. This will bring the total to over 800 tons, or 100 tons daily over the present output of Spanish River Mills.

Abitibi has for several years back been in the midst of an expensive construction programme. This has interfered with earnings to some degree. Indeed, as can be seen, the expansion programme is by no means complete.

The newsprint mill of the Abitibi Power and Paper Company at Iroquois Falls, Ontario, is the largest individual newsprint mill in Canada. It is rated as being efficient and is situated close to the source of supply of raw material. As a result, Abitibi produces newsprint at low cost. In addition to cutting wood from its own limits, it purchases a great many cords yearly from settlers. There has been built up a very attractive town site for the company's employees.

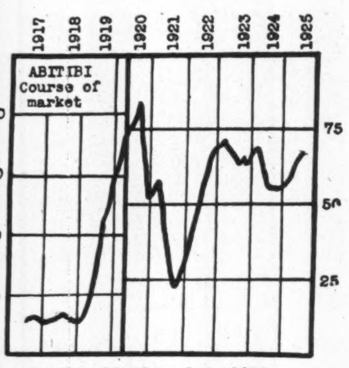
Every day in the week, except Sunday, there is to be seen a freight train on the Temiskaming and Northern Ontario Railway. It is entirely loaded with Abitibi paper. The surplus sulphite stock of the company is sold only when prices are attractive.

Abitibi always has been able to show good earnings—this is the one factor which counts as far as the investor is concerned. Until the company has installed its two or three new paper machines, the surplus power from the old Hollinger plant will be ultilized to produce steam at the plant. Plans are now being laid for the mill expansion.

PRODUCTION AND FINANCES

Pulpwood Supply.—Controls under lease 2,800,000 acres of pulpwood lands estimated to contain approximately 10,000,000 cords of pulpwood.

Mills are situated at Iroquois Falls,



Stock split 5 to 1 in 1920

Ontario, and are equipped with eight newsprint machines in addition to pulp making machinery.

Production.—Capacity totals 510 tons of groundwood pulp; 140 tons of sulphite pulp; 550 tons of newsprint and 30 tons of wrapping paper.

Capitalization—	Authorized	Outst'd'g
Common	*250,000	250,000
7% cum. pref. .	$1,000,000	$1,000,000

*Shares.

On May 1, 1920, the old $100 par value shares were exchanged for five new shares of no par value.

Funded Debt—

1st mtge. bonds 6% due 1924-34	$2,939,000
Gen. mtge. bonds 6% due. 1940	3,768,000
Con. mtge. bonds 8% due 1931	3,614,900

Dividend Record—

Initial quarterly dividend of 1¾ per cent. on pref. paid Jan., 1917; regular quarterly payments since. All accrued dividends aggregating 19¼ per cent. paid in full Oct., 1919.

On common initial dividend of 1½ per cent. paid on stock of $100 par value, Oct., 1919; Jan. 1920, 4½ per cent.; April, 1920, 7½ per cent. On July, 1920 initial dividend on no par value of $1.50 was paid; Oct., 1920, and Jan., 1921, $1.50 per share each; April, 1921, $1 per share, none thereafter until Oct., 1922, when $1 was paid; 1923, $4, and quarterly since.

Officers and Directors—

Alexander Smith, president; L. R. Wilson, vice-president; W. H. Smith, secretary-treasurer; R. A. McInnis, mill manager; T. Broadhurst, comptroller; George H. Kilmer, K.C.; W. K. George, Geo. E. Challes, Victor E. Mitchell, K.C., D.C.L.; Sir Thos. Tait, W. A. Black, A. J. Brown, K.C., E. L. Pease.

Market Record—

Year	Common High	Common Low	Preferred High	Preferred Low
1916	82	65	91	89
1917	58½	48	90	88½
1918	57½	48	90	90
1919	292½	48	110	90
1920	*340	248	97½	85
1920	†87	46½	..	..
1921	58	22	89	83
1922	71	30	100	83¼
1923	74	56½	100¼	90¼
1924	60	53	108½	97
1925	75	62	108	101

* $100 par 1920.
‡Changed to no par value May 1920.
† Changed to no par value May, 1920.

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Receipts	$ 6,029,354	$10,580,143	$ 8,861,310	$ 9,461,299	$11,047,667	$10,686,859
Expenses	3,903,636	5,537,010	4,183,637	5,846,462	6,768,088	6,301,307
Net earn.	$ 2,125,718	$ 5,043,133	$ 4,678,173	$ 3,614,837	$ 4,279,579	$ 4,385,552
Interest	454,320	501,947	849,743	929,123	882,624	762,259
Deprec., etc.	527,704	793,018	989,763	803,391	930,186	625,505
Taxes	79,463	64,576	482,000	53,177	. . . . . .	190,000
Pref. divid.	262,500	70,000	70,000	70,000	70,000	70,000
Com. divs.	300,000	1,500,000	250,000	500,000	1,000,000	1,000,000
Res. for deprec. . .	. . . .	. . . .	2,177,144	. . . .	. . . .	1,236,143
Surplus	$ 501,730	$ 2,113,591	*$ 140,479	$ 1,259,146	$ 1,396,769	$ 1,501,645
Prev. surplus	1,073,249	1,574,979	3,688,570	3,548,092	4,807,238	6,204,007
	$ 1,574,979	$ 3,688,570	$ 3,548,091	$ 4,807,238	$ 6,204,007	$ 6,705,652
Earned on com. . . .	†19.88%	14.45%	11.03%	7.04%	9.6%	6.00%

* Deficit.

St. Regis Paper

Not Likely That Company Will Produce for Some Time in Canada

The St. Regis Paper Company of Canada is the Canadian subsidiary of the American company bearing the same name. The company owns outright or has a contract to purchase, 168,984 acres of timber limits in the province of Quebec, estimated to contain over 2,000,000 cords of pulpwood.

In line with the decision of the International Paper Company to gradually transfer its newsprint production to Canada, it is generally thought that in the course of time, but not immediately, the St. Regis Company will commence the manufacture of newsprint in this country. There have been various reports to the effect that the company intended expanding in Canada immediately, but it is understood that it will likely be some time before any move is made towards mill construction.

The company already own an excellent mill site at Cap Rouge, and, in addition, are at present engaged in extending their timber limits by the purchase of a large tract of crown land—these are but two indications that the company will eventually make paper in Canada. One other thing which indicates that the company have definitely decided to manufacture here is the fact that in the States it is more and more getting into the power business. Indeed, the company's hydro electro power developments in the States are probably more important than the paper end of their business.

Properties.—The St. Regis Paper Co. of Canada, is a large producer of pulpwood with an annual capacity of over 100,000 cords. In addition to logging plants and equipment at [illegible] and Godbout, Province of Quebec, properties of the company comprise freehold timber limits in the province owned in fee, or under contract to locate, aggregating 22[illegible],374 acres which, according to the report of independent engineers, contain over 2,500,000 cords of pulpwood. A site at Quebec is owned where a newsprint mill will shortly be erected.

Capitalization.—Capitalization of St. Regis Paper Co. of Canada, Ltd.:

	Authorized	Outst'd'g
Preferred stocks .	$1,500,000	$ 658,6[illegible]
Common stock, shares, no par value . .	x 100,000	. . . .

Bonded Indebtedness—

6½% debenture notes	$1,500,000	$1,500,000

The parent company operates in the United States under the name of St. Regis Paper Co., with authorized preferred stock of $2,000,000. This company controls the common stock of the Canadian firm and also controls 78 per cent. of the stock of Power Corporation of New York.

Canadian Paperboard

Has an Expanding Market—Earnings Good — Raw Materials Increasing

The Canadian Paperboard Company is the largest manufacturer of cardboard in Canada. Paperboard is manufactured chiefly from waste paper and is used largely in the manufacture of packages, cartons, and shipping cases; these, during recent years, have all experienced a rapid growth in popularity.

One of the features of this company is the fact that its supply of raw materials is steadily increasing, as over 85 per cent. of the raw materials employed consist of waste paper. It has three plants.

The company is in sound financial shape, with earnings moving upward. After making liberal allowances for all such charges as depreciation, the earnings last year were equivalent to over three times the bond interest—the latter securities are in the hands of the public, whilst the stock is closely held.

Paperboard is made by a process similar to paper, but the pulp runs more slowly through the machines and a much thicker product is produced. The 15 per cent. of the raw material used which is not composed of waste paper is groundwood. This the company makes itself.

Due to the fact that commodities sold in packages may be more clearly trade marked and more easily recognized by buyers, manufacturers are more and more using them; this has resulted in a rapidly growing market for the company's product and one which yet has a long way to go to equal the per capita consumption of cardboard in the United States. So that prospects for the future look bright.

Brown Corporation

A Sulphate Producer Which Has Broadened Its Output —Will Expand

Canadian investment interest in the Brown Corporation centres in the preferred stock of the company. It is the Canadian off-shoot of one of the large American pulp and paper concerns, the Brown Company of Portland, Maine.

The corporation operates a sulphite mill at La Tuque, Que. It is especially noted for its extensive holdings of timberland. In all, it controls some 5,000 square miles, conservatively estimated to contain over 12,000,000 cords of pulpwood.

The company has gone in extensively for the economic development of chemical by-products of pulp manufacturing. It is manufacturing turpentine from the waste sulphite liquor which is not utilized in most mills. Following the lead of its American parent company, a much larger list of chemical products will shortly be manufactured, chloroform bisulphate or carbonate which is for disinfecting and other purposes; caustic soda largely employed in bleaching woollen products, and a number of vegetable oils used in the manufacture of soap. A product more or less akin to pulp and paper is fibre tubing and piping made by an automatic process from pressed groundwood pulp. This tubing is largely used by electrical companies for conduit covering, while the large sizes are used for pumping water from mines.

Brown Corporation is certain to invest many more millions of dollars in Canada in the next few years. Its present plans call for the gradual expansion of its American mills along the line of chemical production, and its extensions along the line of pulp production will take place in Canada. While only sulphate pulp is now produced at La Tuque, it seems likely that sulphite pulp will also be produced there and that a mill will be erected in due time.

Fraser Companies

Is Completing High Grade U.S. Paper Mill to Utilize Its Canadian Production

The Fraser Companies are large operators in Eastern Quebec and New Brunswick. It operates two sulphite mills in the latter province. While the stock is closely held, there is a wide distribution among investors of the company's bond issue.

It is at present employed in completing a high-grade sulphite paper mill at Madawaska, Maine, just across the St. John River from the bleached sulphite pulp plant at Edmundston, N. B. The capacity of this new mill will be about 20,000 tons per annum, and it will use as raw material the pulp from the Canadian plant—this pulp will move across the river through a pipe line.

This ensures a ready market for a large portion of the company's sulphite production in Canada. By 1926 it is expected that the addition of this paper mill in the United States will add considerably to the earnings.

The companies have been successfully operated since 1877, and now operate two sulphite pulp mills, and, in addition, twelve sawmills. It is the largest manufacturer of spruce lumber and cedar shingles in Eastern Canada. Power is developed at the company's own hydro-electric plant which has an installed capacity of 2,000 h.p.

During the past year, the Stetson, Cutler Company's large holdings in Quebec and New Brunswick were acquired, which augments considerably its wood supply and should also permit of many management economies.

To provide for the extensions and additions made during the year, a considerable amount of new financing was done. The last consolidated balance sheet, which was issued as at April 30, 1924, shows that the company is in a healthy financial position.

Donnacona Paper

A Sturdy Producer Near Quebec — Has a Well Located Wood Supply

Earnings of Donnacona Paper Co. have been showing improvement this year, it is understood.

There is little Canadian interest in the stock of the Donnacona Paper Company as the stock is mostly held in New York State, but bonds, to the extent of about $3,000,000 have been sold in this country.

It is understood that Donnacona has large contracts with William Randolph Hearst publications.

There is the possibility that the company will erect another paper mill at Port Rouge, P. Q., where it already possesses some water power development and a small pulp mill. The company possesses water powers which have an ultimate development of 24,000 h.p. It is situated at the junction of the Jacques Cartier and St. Lawrence Rivers and it controls most of the timber situated on the watershed of the former. The wood supply because of its favorable location reaches the mill with a minimum of cost.

The company owns two subsidiaries, the Valcartier Lumber Company and the Baie St. Paul Lumber Company which both have extensive timber limits lower down the St. Lawrence.

The company is now engaged in developing water power that it controls in the Jacques Cartier River and this work should be finished early in 1926.

Western Quebec Paper

A New Company Which Commenced Production During Past Year

The mill of the Western Quebec Paper Mills began producing paper since last November. It first commenced seling in January this year. The mills are located at St. Andrews, East, Que., and are, curiously enough, situated almost on the exact site of the first paper mill in Canada, which commenced operations in 1803.

The mill has an annual capacity of from 1,800 to 2,000 tons, and is producing such papers as tissue, manifold, onion skin, and other specialties which heretofore have been imported.

The company owns outright more than two-thirds of its total power requirements and also possesses a favorable contract for the remainder. There is little competition in the lines which the company manufactures, with the exception of the wax paper. The investor is interested in the company through its bond issue. During the first six months of the year the company has done remarkably well. With recent weeks, however, sales of the waxing paper have fallen off, due to certain trade disturbances. There is no doubt that this end of the business will pick up again. The company has been producing four to eight tons daily, according to the quality of the paper which it has been making. Of this, 1½ tons is sufficient to earn the bond interest.

Bondholders in the company have the best of security coupled with an earning power more than sufficient for bond interest requirements. This has been demonstrated by less than ten months' of operations.

The management of the company is in capable hands. Its directors, executive and operating staff, are composed of men who have had many years' experience in the paper industry both from the manufacturing and sales standpoint, in power and engineering and in allied fields.

The histories of paper companies, and more particularly those of the smaller mills, are bright. A factor that contributes appreciably to their success is the ease with which these mills can be adapted to one or another of the various grades of paper that are at various times in greatest demand. This adaptability permits them to take advantage of market conditions and secure peak prices wherever and whenever possible.

PRODUCTION AND FINANCES

Capitalization—	Authorized shares	Issued shares
Ordinary shares (no par value)	2,500	2,500
Bonded Indebtedness—		
6½% 1st mortgage bonds	$1,000,000	$225,000

8% Debentures, $150,000 issued and paid up.

Properties.—Consist of a mill at St. Andrews, P. Q., recently completed.

Production.—Six tons per day of light weight or "fine" papers.

Directors.—President, R. W. Barclay; vice-president, Wm. Currie; general manager, C. deWolf Reid; directors, J. M. Robertson and H. M. Banks.

Earnings.—Two engineers have prepared tables of estimated earnings based on low production (five tons daily) which show a net profit of better than $70,000, per annum, equivalent to approximately four times the total interest and sinking fund requirements of the bond issued.

Canada Paper Company

The Canada Paper Company has been busy for some months erecting an additional pulp mill at its plant at Windsor Mills, P. Q. The new mill is to produce pulp on a modified soda system, and, when finally completed, should mean much in cutting down costs due to the improved system on which the mill will operate.

The new method of production is known as the Keebra process and is a distinct step forward in the production of pulp. The new mill should be in actual operation shortly.

The company expects to still further improve its methods of production by the substitution of an old small paper machine with a new high speed and up-to-date one. The company has always followed the practice of increasing output gradually in order not to outstep the growth of the business, consequently the mill is always well supplied with orders.

Recently another water power site has been acquired. It is capable of a development of some 12,000 horsepower and is situated on the St. Francis River. The plans for the development of this site have been finished and will be carried out just as soon as the mill enlargements are completed.

The company has been in operation since 1864.

Our confidence in the future of the pulp and paper industry and its prominent place in the economic life of Canada, has resulted in our association with such important manufacturers as the Belgo Canadian Paper Company, Limited, the Port Alfred Pulp & Paper Corporation, Fraser Companies, Limited and others.

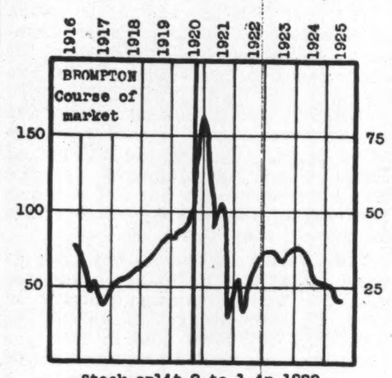
Wood, Gundy & Company

GEORGE CHRISTIE CANADA Limited
MAKERS OF
Fourdrinier Machine Wires
With special seams and edges.--Any width up to 240 inches.
Factory: Three Rivers, P.Q.
Head Office: 22 St. Francois Xavier St. Montreal.

Brompton Pulp & Paper

Has Most Varied Production of Any Canadian Company — U. S. Markets in 1924 Lowered Profits — Conditions Improve

This spring the announcement that the Brompton Pulp and Paper Company would issue new bonds to refund the 8's now outstanding, and also to erect a new 100 ton newsprint mill, depressed the market price of the stock; a depression from which it has not yet recovered, despite the fact that the management later announced that these plans had been indefinitely postponed.



Stock split 2 to 1 in 1920

The company has probably the most varied production of any operator in this country, it includes newsprint, sulphite pulp, wrapping paper, pulp board and groundwood. The East Angus mill turns out sufficient groundwood for the company's 110-ton daily production of newsprint; about 9,000 tons of groundwood from Brompton mill goes to the States and the balance of about 21,000 tons is sold on the market here.

The surplus sulphite pulp from East Augus goes across to the Claremont, New Hampshire, mill, whilst some unbleached sulphite comes over from the mill at Groveton, New Hampshire, to be used in the production of newsprint. The bleached sulphite pulp is used for bond papers in the Groveton mill. In this way the company is in a fairly good position, as the Canadian mills produce some of the raw material for the United States mills and vice versa.

Due to the poor market which has prevailed for sulphite, the diversified output has proven something of a handicap. Last year earnings on the common stock were lower than was anticipated, due to the irregularity with which orders were received by the United States mills, although the actual volume of production for the year was maintained. It is understood that during the current year the demand in the States is pursuing a more normal course.

It seems agreed that the acquisition by the company of the mills across the border was a good move which should eventually work out to the benefit of the shareholders.

The mills on this side of the line in 1924 experienced better business than in 1923; whilst with American mills the position was reversed.

PRODUCTION AND FINANCES

Properties.—Mills are operated at East Angus, P. Q., Brompton, P. Q., Claremont, N. H., and Groveton, N. H.

Timber Supply.—Company owns 295,400 acres of freehold timber limits estimated to contain nearly 2,000,000 cords of wood and has leasehold limits estimated to contain 3,950,000 cords. It controls additional timber through a subsidiary. In addition 100,000 cords of wood is purchased yearly.

Production totals 220 tons of groundwood pulp; 110 tons of sulphate; 120 tons of newsprint; 30 tons of wrapping and 60 tons board daily.

Capitalization—

	Par	Outst'd'g
8% cum. pref.	$100	$2,000,000
Common	None	*140,000

*Shares.

In 1920 each $100 par value share was exchanged for two shares of no par value.

Funded Debt—

1st mtge. 6% bonds due 1927	$ 104,000
1st cons'l. mtge. 6% due 1935	893,000
Gen. mtge. 6% bonds due. 1939	829,200
Gen. mtge. 8% bonds due 1941	1,607,700
Groveton Paper 1st mtge. 6's 1935	1,175,000

Dividend Record—

Preferred paid regularly to Nov., 1921; more thereafter until June, 1923, when 4 per cent. was declared on account of accumulated dividends.

On common initial dividend of 1 per cent., together with extra dividend of ¼ per cent., paid Feb., 1917; May, 1917, 1 per cent. and ¼ per cent. extra. Aug., 1917, 1¼ per cent., which quarterly rate was paid to and including Nov., 1919; Feb., May and Aug., 1920, 1½ per cent. each Nov., 1920, and Feb., 1921, $1.75 per share; May, 1921, $1 per share; none since.

Officers and Directors—

F. N. McCrea, M.P., pres.; H. Beauclerk, vice-pres.; W. N. Munroe, treas.; J. A. Bothwell, gen. mgr.; R. E. Meagher, sec'y.; J. T. Greenshields, K.C., E. W. Tobin, M.P., C. C. Wilson, H. E. Munroe, T. McAvity Stewart, C. G. Greenshields, K.C., Dr. L. Milton Hersey, James E. McRae.

Market Record—

Year	Common High	Common Low
1916	79	43
1917	58¼	38
1918	63¼	41¾
1919	87	55
1920	*170	42¼
1921	57¼	13½
1922	40	15
1923	44	33⅞
1924	43	26½
1925 (to date)	33¼	18½

* Year of stock "split."

Profit and Loss—

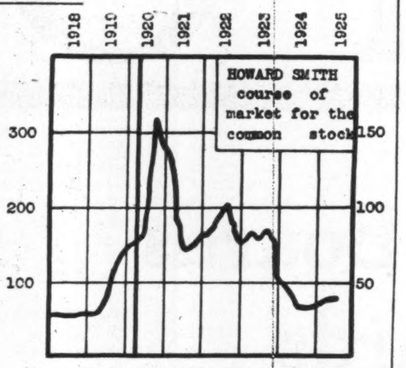
	1919	1920	1921	1922	1923	1924
Net earnings	$ 1,098,338	$ 1,853,589	$ 1,097,784	$ 1,607,213	$ 1,802,164	$ 882,510
Depreciation	188,500	235,123	244,000	266,589	326,418	255,000
	$ 909,838	$ 1,618,466	$ 853,784	$ 1,240,624	$ 1,475,746	$ 627,510
Bond interest	82,455	137,580	200,774	362,784	303,134	288,572
Pref. dividends	140,000	140,000	155,000	*17,500	177,500	177,500
Arrears on pref.	......	......	......	......	160,000	......
Com. dividends	350,000	665,000	385,000	......	......	......
Less on inventory	......	......	994,964	......	......	......
Surplus	$ 337,383	$ 675,886	†$ 831,954	$ 860,340	$ 835,112	$ 161,438
% earned on com.	**9.53	9.44	...	5.13	7	1.15%

* On Claremont preferred.
† Deficit.

Howard Smith Paper

Is Making Progress in Foreign Markets — Financial Structure Gaining Strength and the Physical Structure is Well Rounded Out

Every kind and grade of paper, with the exception of newsprint, is manufactured by the Howard Smith Paper Mills. Something over 10 per cent. of the company's production is exported to foreign countries, chiefly to Mexico, Australia, New Zealand, India, Japan, China and the British West Indies. The actual profits obtained on the exported paper are said not to be large, however, holding these markets, the company can cut down on overhead by means of the increased production. Moreover, the export trade is growing; prospects are bright for the continuance of this growth, for it appears reasonable to suppose that like the manufacture of newsprint, the trend of paper manufacturing, due to the economies which can be effected, is toward this country, and that in the future the United States will not be such a large factor in foreign trade. Due to the tariff wall, naturally, the United States markets are closed to the company.



Stock split 2 to 1 in 1920

Over a year ago the company concluded a well-rounded programme of expansion and is now in a first class position. Investors, within recent months, have come to a realization of the possibilities of the future for the company and both the preferred and common shares have experienced a sharp increase in price within the last month or two.

The passing of the common stock dividend last year has been one factor which has helped to better the financial position of the company. It is a self-contained organization from the cutting of the trees to the selling of the finished product in Canada and abroad.

There has been gossip of a merger with the Provincial Paper Mills; as yet, though, there has been nothing to indicate that these rumors are well founded, but an amalgamation of these two companies would be quite practical from an industrial standpoint and they both manufacture book and writing paper.

Although there was a slight decline in gross profits during 1924, yet the balance sheet of the company for last year showed a distinct improvement—this year earnings are understood to be moving upward once again, with sales running well ahead of last year.

PRODUCTION AND FINANCES

Properties.—Own the Toronto Paper Co. Also have two plants outside of Montreal and one at Cornwall. These are all paper plants and a sawmill is owned at the Gaspe timber limits. Owns former Kinleith plant at St. Catharines. Ont., which is not now in use.

Production.—This company is one of the largest manufacturers of high-grade paper in Canada. Daily output is 30 tons of groundwood, 60 tons of sulphite pulp; 60 tons of writing; 15 tons of book paper; 15 tons blotting and 5 tons of covers and 12 tons Bristol and board.

Timber Limits.—Owns 500 square miles of timber limits in Gaspe County, P. Q.

Capitalization—

	Authorized	Outst'd'g
Common	$4,000,000	$3,693,700
Pref. 8% cum.	3,000,000	1,500,000

After 8 per cent. has been paid on common, preferred participates equally up to 10 per cent.

Funded Debt—

1st mtge. bonds 6% due 1934	$ 419,000
1st mtge. bonds 7% due 1941	4,062,000

Dividend Record—

Year	Common	Preferred
1920	7¼%	6%
1921	8%	8%
1922	6½%	8%
1923	6	8%
1924 passed since June 1, 1924,		8%

Officers and Directors—

C. Howard Smith, president; James W. Pyke, vice-president; J. A. Cameron, vice-pres.; H. Crabtree, secretary; W. D. Robb, Howard Murray, E. R. DeCary, T. P. Howard, comptroller; M. G. Peterkin, treasurer.

Market Recrod

Year	Common High	Common Low	Preferred High	Preferred Low
1916	80	80	..	..
1917	74½	65	..	..
1918	66	65	80	65
1919	151	65	99½	78
1920	165	145	..	..
New Company				
1920	167	74¾	107½	91
1921	110	56	92¼	64
1922	85	60	102	83
1923	83½	61½	108	97
1924	75	25	100	68
1925	42	21¼	106	69½

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Oper. profits	$ 429,228	$ 1,087,380	$ 611,793	$ 691,370	$ 767,377	$ 717,927
Sundry rev.	5,209	2,518	1,519	2,169	5,429	9,648
Invests.	3,552	......	......	......	......	......
Total inc.	$ 437,990	$ 1,089,899	$ 613,312	$ 693,539	$ 772,807	$ 727,575
Interest	35,216	78,000	141,681	197,941	269,960	329,532
Pfd. divs.	33,250	120,000	120,000	120,000	120,000	120,000
Balance	$ 369,524	$ 891,899	$ 351,631	$ 375,599	$ 384,847	$ 278,043
Com. divs.	62,500	220,800	279,932	220,720	221,622	92,342
Balance	$ 307,024	$ 671,099	$ 71,699	$ 134,879	$ 161,225	$ 185,701
Deprec.	94,059	196,216	......	95,491	60,287	100,000
Written off	11,200	16,932	......	......	......	......
Tax res.	20,211	91,018	......	......	......	......
Reserve	......	......	......	115,020	117,003	......
Surplus	$ 181,552	$ 366,983	$ 71,699	$ 16,065	......	9,648
% Earned on com.	19.52	19.59	10.05	4.47	5.9	4.8

Ft. William

Producing 160 Tons of Paper Daily — Marketed in U.S.

Production of paper at the rate of 160 tons daily was launched by Fort William Paper Co. this year. Up to about April of this year only one 80-ton machine was in operation. The company turns out an extra wide product, 194 inches. Since 1921 the company has been operating a ground wood pulp mill, turning out 125 tons daily. In August, 1922, ground was broken on the foundations for the paper mill. Toronto and Dayton Ohio, interests are behind the venture, and the late Col. T. A. Gibson was president.

The company is said to have ample timber limits and favorable power contract. Being associated with interests operating mills in the U. S., the company is said to have a favorable market for its products. It was financed by a bond issue placed by a Chicago house.

A.P.W. Pulp & Paper

The A. P. W. Pulp and Power Company, Sheet Harbor, N. S., have now been in operation three months and are turning out 65 dry tons of ground wood pulp per day. All of this pulp is shipped by water from the mill dock. So far this season the company have made no attempt to make shipments except to the A. P. W. Paper Company at Albany, N. Y., two steamer loads having gone directly to that port and a third load is expected to be shipped in a week or so. The firm state that the provincial government has had no difficulty in delivering 5,000 horsepower, and that the supply of wood is ample to meet their needs for the coming year. While the company are experiencing a few minor difficulties, they state that in the near future they expect to have their tonnage up to maximum mill capacity.

Civilization Demands More Paper Consumption

It was not printing which brought about the industrial revolution—it was paper.

The more highly organized society becomes, the more will the consumption of paper increase. At the time when mankind lived in small groups and earned a living by agriculture or by other forms of labor, all the necessaries of life were procured from within one group—there was no need for letter writing or advertising. Goods didn't travel a long way. But trade boundaries have increased in size and the wider they are the more paper will be used. It seems apparent, on the face of it, that society, as at present organized, must continue its growth in this fashion. Therefore, we can look forward to a steadily increasing consumption of paper by all the nations.

BIG FUR CONSIGNMENT

Winnipeg, Man.—Probably the largest consignment of furs ever received by the Fur Auction Sales Co., Ltd., of Winnipeg, arrived recently from the Mackenzie River section. Furs received so far are valued at nearly one-half million dollars. The furs range from the smallest muskrat to the largest northern beavers.

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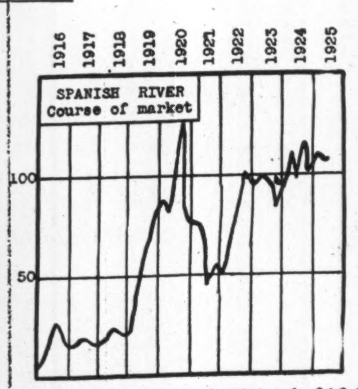
Spanish River

Annual Report for Past Year Revealed Exceptionally Strong Position for Newsprint Company With Largest Output of All in Canada

In only two years has Spanish River done better than in the year that closed June 30, and which was reviewed in the annual report that came out a few days ago. One of these years was 1920-21, when newsprint was selling at anywhere up to $125 a ton and mills were running at full capacity. The other was 1923-1924, when newsprint prices were firm throughout the year at $75, and the demand for newsprint so exceeded production that steady output on a 24-hour-a-day basis was assured.

During the past twelve months, covered by the annual report just issued, all newsprint mills have been on short time. Prices have been declining. The mills have been going through a period of adjustment that could not help but cut into earnings. Yet in the face of this situation, Spanish came through with an earnings statement that is a most reassuring document; one that will not only add to the faith of investors in the country's leading newsprint paper producer, but will add to confidence in the paper industry generally. After all other charges, Spanish earned an equivalent of over 12 per cent. on both the common and preferred shares. Or figuring the earnings as they are usually figured, that is, deducting the 7 per cent. paid on the preferred shares and applying the remainder entirely against the common, the earnings on the junior security amounted to 17.7 per cent.



Company's Rapid Advance

That is indeed a wonderful showing for a company that a few years ago had few backers in investment circles, and that had to adjust its preferred and common dividends and bond interest on the basis of deferred possibilities.

One has only to review what the preferred arrears stock disbursement of 1920 has since meant to the preferred shareholders to see how the company has recovered.

During the war arrears piled up until they amounted to 42 per cent. On the shares voted in payment, they have since been paid $38.50 per share and the stock has sold at a premium of $27. For every $42 in deferred dividends which the shareholders invested they have received back $16.17 and still have their $42 interest in the company and which, as a result of market appreciation, is worth, at to-day's market, $48.30. In other words, if shareholders were to sell their deferred dividend stock to-day they would have received $64.47 for the $42 which was held back on them.

These figures tell the story of the improvement that has been steadily brought about in the position of Spanish River, until to-day it stands out among the strongest Canadian concerns and one of the greatest newsprint producers.

Very Strong Position

Spanish for considerable time has figured in merger talk to the general obscurity of the wonderful position which the company has worked into. The merger of the newsprint producers of Northern Ontario is likely to come in time, and negotiations seem to be proceeding in some fashion at all times. But whether it goes through or not, Spanish River shareholders know that they are interested in a company of demonstrated earning capacity and one that is in exceptionally strong position.

The company's working capital position is excellent and the working capital reached a new high point of nearly nine and a half millions with this year's statement. For the year there was an increase of nearly half a million in working capital. This was largely due to the reduction in bills and accounts payable, which are shown at $1,861,311, as compared with $2,634,140. Cash is about $200,000 above the 1924 figure at $423,197. This more than offset a reduction of about $400,000 in inventories, which are shown at $9,203,291, and in accounts receivable, which are down to $2,014,946 from $2,292,519.

The working capital position of the company for the past three years compares as follows:

	1925	1924	1923
	$	$	$
Cur. asts.	11,903,160	12,273,408	11,133,022
Cur. lia.	2,475,488	3,260,414	3,630,660
Wkg. cap.	9,427,672	9,012,994	7,505,362

Spanish is steadily reducing its bonded indebtedness and sliced $676,386 off this figure during the past year. At the same time the company's properties are increasing in value through the acquisition of new timber limits and by the improvement of the plants. For 1923-1924 the property account is up about $230,000 at $31,817,397. The depreciation reserve has been increased by nearly $700,000 to $5,502,099. Total assets are $44,682,123.

Mr. Mead is Optimistic

George H. Mead, the president of the company, in a statement to the shareholders accompanying the financial report, stated:

"Although the profits of last year are less than those of the previous period, the directors regard the statement as very satisfactory in view of the lower prices for the company's product, and general market conditions."

Mr. Mead supplemented these comments in a Montreal interview when he stated that he was far from pessimistic on the outlook. He called attention to the fallacy of falling into the idea that any industry can permanently enjoy maximum prosperity. He seems rather to welcome the current readjustment, stating, in fact, that he would rather have seen prices come down more rapidly last year. The reduction in price, he declares, will bring about a beneficial reduction in costs, and in the readjustment period will tell the story. Lower prices will eliminate a great deal of production in the United States and will make even some of the larger mills start thinking of turning their energies to some other output. As for his own company, he has no qualms as to its ability to adjust itself profitably to new conditions, and he believes that the readjustment period will be a relatively brief one.

PRODUCTION AND FINANCES

Pulpwood Supply—The company controls about 21,000 square miles of timber lands.

Mills—Are located at Espanola, Sault Ste. Marie and Sturgeon Falls, Ontario.

Production at three mills totals 700 tons of groundwood pulp, 290 tons of sulphite pulp and 35 tons of wood pulpboard and 720 tons of newsprint. Excess sulphite pulp production above own requirements is 150 tons daily.

Capitalization—	Authorized	Outst'd'g
Common	$10,000,000	$9,447,000
7% cum. pref.	10,000,000	8,619,500

Preferred participates equally with common after payment of 7% on latter.

Funded Debt—

1st mtge. bonds 6% due 1931	$1,797,133
Mtge. lien notes 6% due to 1929	1,273,000
Gen. mtge. bonds 8% due 1941	2,942,000

Dividend Record—

Year	Common	Preferred
1911	......	7%
1912	......	7%
1913	......	3½%
1920	1¾	1¾ + 42%x
1921	7	7%
1922	7	7%
1923	7	7%
1924	7	7%

x—Arrears paid up on preferred July, 1920.

Officers and Directors—

Officers—George H. Mead, president; P. B. Wilson, T. Gibson, vice-presidents; J. G. Gibson, secretary; A. H. Chitty, treasurer; C. H. L. Jones, general manager of manufacturing; G. R. Gray, general manager of woods.

Directors—George H. Mead, P. B. Wilson, Thos. Gibson, C. E. Read, T. Watson Sime, G. R. Gray, T. H. Watson.

How Spanish River's Surplus Has Grown

	1920	1921	1922	1923	1924	1925
Assets	10,713,925	14,151,220	10,714,774	11,136,022	12,273,408	11,903,160
Liabilities .	4,120,856	6,734,685	4,172,071	3,630,660	3,260,414	2,475,488
	6,593,069	7,416,535	6,542,703	7,505,362	9,012,994	9,427,672

Spanish River's Market and Earnings Record

	Earnings Pref. %	Earnings Com. %	Dividend Pref.	Dividend Com.	Market Record Pref. H.	Market Record Pref. L.	Market Record Com. H.	Market Record Com. L.
1917	8.24	8.25	..	..	59¼	49½	19	13
1918	7	2.23	..	..	65	50	20	12¾
1919	9.47	9.47	..	..	131	63½	90½	17
1920	16.07	16.07	3½*	1¾	149½	82	125¼	75
1921	16.82	16.82	7	7	95	51⅞	89½	44
1922	10.13	10.13	7	7	112	67	103½	58⅛
1923	12.09	12.09	7	7	108	94	103	32
1924	14.33	14.33	7	7	114⅝	96¾	120½	107
1925	12.7	12.7	7	7	127	111¼	111¾	102

*June 30, 42% arrears paid in preferred stock.

Profit and Loss—

	1920	1921	1922	1923	1924	1925
Net earn.	$ 3,915,051	$ 4,836,001	$ 3,361,537	$ 4,008,155	$ 5,038,029	$3,851,645
Deprec.	594,620	628,480	475,975	736,560	792,316	550,515
Int. on debts, etc..	768,362	744,371	950,645	888,178	766,052	751,558
Govt. taxes on contingencies ..	350,000	500,000	150,000	200,000	360,000	265,000
Net prof.	$ 2,202,069	.. 2,963,150	$ 1,784,917	$ 2,183,417	$ 3,119,660	$2,284,571
Pref. div.	......	603,365	603,365	603,365	603,365	603,365
Com. div.	......	629,685	629,685	661,290	661,290	661,290
Proportion of divi. paid to bondholders	......	137,005	137,005	140,517	140,517	140,517
Sink. fund	638,000	304,097	317,766	......	400,000	220,563
Surplus	$ 1,564,069	$ 1,288,998	$ 97,096	$ 778,245	$ 1,917,853	$ 658,836
Prev. surplus	2,368,222	1,060,798	2,349,796	2,446,892	4,485,000	5,799,487
†Accum. pref.	2,371,493	......	......	......	......	......
From reserve	......	......	......	1,259,863	......	......
	$ 1,060,798	$ 2,349,796	$ 2,446,892	$ 4,485,000	$ 6,402,853	$6,458,324

* Deficiency account.
† Accum. pref. div. to June, 1920.

Belgo-Canadian Paper

Period of Ownership Under New Canadian Management Proves Profitable — Made Bow to Investors Two Years Ago

The year 1900 marked the inception of the Belgo-Canadian Paper Company, following the development of water power at Shawinigan Falls. The company was incorporated and owned in Belgium and it was not until June 30, 1923, that control passed into Canadian hands through the efforts of Harry Gundy, who bought out the Belgian shareholders for $97 a share. The cost of the company was something over $15,000,000.

Commencing by operating a groundwood mill, the company graduated into the paper making business in 1904. By 1908 production was at the 100 ton a day level, and in 1916 the plant was overhauled and another 100 ton machine added, which made a total production of 200 tons a day of newsprint.

In March of this year the new Canadian company published its first annual report, and for the 21 month period ending December 31, 1924, earnings were equivalent to 11.3 per cent. on the common stock; also during this 21 month period, production, which now totals 380 tons, was augmented to the extent of 100 tons.

At the beginning of the current year, the common stock was placed on a 6 per cent. basis and later these securities were listed on the Montreal and Toronto exchanges.

The management of the company is in the hands of its president, Hubert Biermans, who has successfully operated it since its beginning. It will be remembered that it was Mr. Biermans who first announced a price of $65 a ton for newsprint in 1926.

It is usually conceded that Belgo is fortunately placed as regards cost of production, as its mills are regarded by experts as being efficient and well balanced.

The company is supplied with some 14,000 electric horsepower by the Shawinigan Water and Power Company. Due to the fact that this power was purchased at the time Shawinigan was first completing its development at Shawinigan Falls, Belgo was able to obtain its energy through long term contracts, at very low rates, another factor which lowers production costs.

It is estimated that the pulpwood resources are sufficient for 40 years' wood supply, and, allowing for reforestation, it is estimated that at the end of 40 years the company will have 80 per cent. of the resources which it has to-day. Through the location of the mill, Belgo is able to utilize a considerable amount of hydraulic power from the St. Maurice River.

CAPITALIZATION

	Par	Outstanding
7% cum. pref.	$100	$4,000,000
Common	100	8,500,000

Bonded Indebtedness

1st mtge. bonds, 6% due 1943 $7,835,000

Pulpwood Supply—Company owns 15,000 acres of freehold timber limits and controls 1,800 square miles of leasehold limits containing 6,000,000 cords of pulpwood.

Production—245 tons of groundwood, 90 tons of sulphite pulp and 345 tons of newsprint daily.

The first annual report of the company covering 21 months of operation, from April 1, 1923, to December 31, 1924, shows profits amounting to $4,173,285, which, after making reserves for depreciation and depletion, and taxes amounting to $1,088,886, bond interest of $742,500, and making a reserve for sinking fund of $240,000, leaves the sum of $2,101,898. Dividends of 7% on the preferred stock were paid amounting to $420,000, and on the common stock for the final quarter at the rate of 6% per annum amounting to $127,500. This leaves at the credit of surplus account $1,554,398.

Market Record

Year	Common High	Common Low	Preferred High	Preferred Low
1912	70¼	34	97½	85
1913	72⅜	9	97½	30
1914	16¾	9	51	30½
1915	7¼	3	35	35
1916	25	3½	70	29
1917	19	13	59¼	49½
1918	20	12¾	65	50
1919	90½	17	131	63½
1920	125¼	75	149½	82
1921	89½	44	95	51⅞
1922	103½	58⅛	112¼	67
1923	103	32	108	94
1924	114¼	96	120½	100⅜
1925	111¾	87	127	112½

Pulp and Paper Mill Means Big Things for R. R.

Recently there have been published figures showing what a mine means to a railway. Picking a big day the Mining Corporation showed nine cars for the day.

What a pulp and paper mill means to a community is different altogether, Counting a 365 day year the number of cars handled in and out of the Abitibi mill was 28,994 which does not include miscellaneous way freight to the mill, cars to the Abitibi Lands and Forests or Iroquois Falls Merchandising Company, which would add somewhat to the figure. This means eighty cars a day every day for a year.

WOOD BEATS WORM

The other day the British Chancellor of the Exchequer stood up in the British House of Commons and challenged his opponents to tell the difference between two pairs of stockings he held in his hand; one pair was made of real silk and the other of artificial silk.

He was quite safe in issuing this challenge, silk dealers will tell you; even silk experts find it difficult to tell the difference between real silk and artificial silk. So successfully has science managed to duplicate the work of the silk worm that to-day textiles light as gossamer may be made of artificial silk, probably made from wood pulp.

BROMPTON

Newsprint Paper
Container Boards
Kraft Paper
Pulp Boards
Fibre Paper
Groundwood Pulp

"Brompton Products are Made to Sustain a Reputation"

Mills and Executive Offices:
EAST ANGUS, QUE.

Sales Department:
DRUMMOND BLDG.
MONTREAL

PULP & PAPER

Laurentide Company

Company Conserves Resources by Purchase of Timber — Employee Ownership Makes Favorable Labor Conditions—Power Subsidiary Provides Energy at Low Rate

Permanence is the outstanding feature of Laurentide's operations at Grand'Mere, and will, undoubtedly, most impress one who has been there to make a study of its conditions. Permanence of construction, permanence of organization and permanence of policy. The mills look as though they had been built to stay, the town looks as though it had been built to make a home for its people, the management talks as though it had some definite idea in mind, and that idea is to make paper both now and in the future as an operating proposition and not as a financial one. Laurentide was built to operate, not to sell.

The mills have been built not only with the idea of efficiency in turning out a saleable product, but with the idea of making good-looking buildings and pleasant places to work in. The houses have been built, not as places of temporary shelter, but as permanent places of abode, and they have been tied together in a town in which community spirit has been developed by every possible means, until Grand'Mere has grown to be a place with traditions instead of a frontier camping ground.

All of these activities have cost money which have been paid for out of the operations of the plant. Whether they have been worth while is a question of management, and that has best been answered perhaps by two facts. One is Laurentide's exceptionally small percentage of labor turnover, which affects earnings through efficiency of operation by highly-skilled trained workmen. Among the employees making up the executive and operating management staff over fifty per cent. have terms of service running from ten to twenty-five years.

The other is the fact that over 15,000 shares of Laurentide stock is owned by men actively employed in its operations, and living in Grand'Mere.

Only recently the Workmen's Council of the company have petitioned its president to give them an opportunity to make a further subscription for shares from their earnings to a considerable amount.

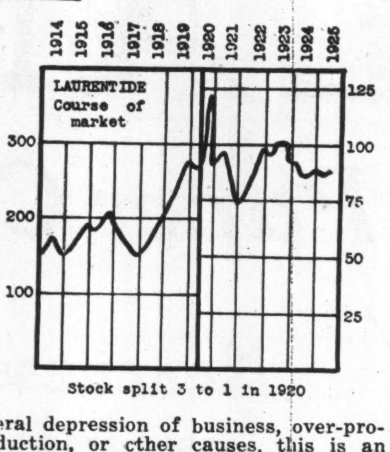
Laurentide's wood policy, like its general policy, has been an extremely conservative one. They have made no extensions without purchasing additional limits to take care of increased production. They have purchased additional limits to safeguard the future. At present they have estimated they have wood for thirty-five years' operations in sight, provided they use wood exclusively from their own limits. In addition to this, they purchase every year sometimes as high as sixty per cent. of their requirements from others, conserving their own limits. Laurentide was a pioneer in reforestation. They own a nursery with an output of six million trees per year. They have planted trees on their own lands near the mill, and they see in the future the time when the wood can be taken into the mill, as fast as cut, and driving costs and the working capital needed for two and three years' operations nearly eliminated.

Pioneer work is being done by skilled men in reducing wood costs through efficiency of operations, and woods accounting has been developed with the idea of still further adding to the efficiency of operation and forestry methods. Laurentide knows that wood is the foundation of the whole industry, and isn't fooling itself about its value or its cost.

Laurentide's policy of depreciation has been a most conservative one also. Notwithstanding liberal reserves for depreciation, the entire plant has been practically rebuilt, and part of it twice during its existence. Its machines have been remodeled to meet modern running conditions until nothing of them remains except part of the original frames. The production from these machines has been doubled. The two new machines which have been added to the plant are the fastest running machines in the world. These machines were designed and installed by Laurentide's own employees, and built under their supervision. The equipment of the plant is modern in every respect. In operation, generally, Laurentide has been in the front with modern methods, such as drum barkers, magazine grinders, the use of compressed air in handling paper through the machines, and the use of surplus electricity in the generation of steam. They have a well-equipped research department who spend their entire time on operating problems and testing new methods. One of the most recent results of the work of this department has been the invention of a process of cementing pulp stones together to make large stones for magazine grinders at a low cost.

The test of the efficiency of a plant is shown by its conversion costs. Laurentide ranks as one of the low-cost mills, and always has.

No small part of Laurentide assets is its goodwill. It has a long and recognized record for fairness in its dealings with its employees, its shareholders and its customers, which cannot be measured in dollars and cents. Whatever temporary poor periods in the development in the paper industry may come through general depression of business, over-production, or other causes, this is an asset not to be overlooked in the ultimate future of the company.



Stock split 3 to 1 in 1920

Its plant is built upon a rock, a rock gave its name to the town. Permanence is symbolic of its whole structure.

The Laurentide Power Company was organized as a subsidiary of Laurentide in the year 1915. Its two outstanding features are its low cost development and its small percentage of operating cost and overhead to earnings. It has a present maximum capacity of 160,000 horsepower, and an additional unit of 20,000 horsepower is provided for, and ready for installation when required.

The 1925 annual report of the Laurentide Company has appeared since this review was written and is discussed in the regular section of this issue.

Due to the farsighted policy of the Quebec government, the flow of the St. Maurice River is regulated by storage dams, producing a well-maintained flow of the river throughout the year. Preparations for additional storage facilities are under way which will result in added volume and a greater productive capacity of the plant.

The Laurentide Company owns practically seventy-five per cent. of the stock of its subsidiary, which it carries in its books at less than market price.

Laurentide also has a contract for firm power with this company for a considerable amount at a low rate, extending over a long term of years. This contract itself is a valuable asset upon which no figure has been placed.

All of the surplus power not required for the fulfilment of contracts is sold to Laurentide for use by them in the making of steam by electricity for use in their plant. The power so used is displacing the use of from five to ten thousand tons of coal per year.

PRODUCTION AND FINANCES

Timber Supply.—Company owns 74,600 acres of timber lands; and holds under license 2,032,000 acres. Pulpwood purchases vary from year to year, sometimes running as high as 60 per cent. of mill requirements.

Properties.—Include a modern mill at Grand Mere, P. Q., a town created by and dependent to a large extent upon this industry. Power is purchased from the Laurentide Power Co., a subsidiary which is independently financed.

Production.—Groundwood pulp, 350 tons; sulphite, 150 tons; pulpboards, 50 tons, and newsprint, 380 tons daily. Excess pulp over own requirements, 20 tons of groundwood daily.

Capitalization—

	Authorized	Outst'd'g
Capital stock	$35,000,000	$28,800,000

In 1920 shareholders received three shares of new stock for each one share of old stock.

Funded Debt—

None.

Dividend Record—

On stock of predecessor company, dividends were paid as follows: Oct., 1911, 1½ per cent.; Jan., 1912, to Jan., 1917, inclusive, 2 per cent. quarterly; April, 1917, 2½ per cent., which quarterly rate was paid to and including Oct., 1918; Jan., 1919, to Jan., 1920, inclusive, 3 per cent. each quarter. An extra dividend of 3 per cent. was paid July, 1919. On stock of present company dividends have been paid at rate of 1½ per cent. quarterly, April, 1920, to date.

Officers and Directors—

Officers.—Geo. Chahoon, Jr., president and general manager; Chas. R. Hosmer, vice-president; Louis Armstrong, treasurer; Wm. F. Robinson, secretary.

Directors.—Geo. Chahoon, Jr., Chas. R. Hosmer, Sir Thos. Skinner, Bart., Ed. Hanson, F. A. Sabbaton, Com. J. K. L. Ross, Geo. H. Montgomery, K.C., Sir Lomer Gouin, K.C.M.G., Sir Vincent Meredith, Bart.

Market Record—

Year	High	Low
1912	240	155
1913	233	140
1914	192¾	164½
1915	198	160
1916	217½	176
1917	195	152
1918	198	152
1919	276	192
New Company		
1920	125	81
1921	95	62
1922	99	72½
1923	103½	85
1924	98⅛	79½
1925	87⅞	75

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Profits	$ 2,743,374	*$ 2,401,550	$ 6,404,395	$ 2,360,640	$ 2,781,890	$ 3,058,350
Inc. from invest.	212,605	145,123	319,638	332,514	386,107	493,240
Total inc.	$ 2,955,979	$ 2,546,673	$ 6,724,033	$ 2,693,154	$ 3,167,997	$ 3,551,590
Interest, etc.	236,927	304,447	885,261	440,632	424,998	318,876
Deprec. res.	329,841	442,687	1,322,843	458,461	753,896	1,148,189
Other reserves	565,554	280,000	......	......	......	......
Dividends	1,392,000	864,000	1,728,000	1,728,000	1,728,000	1,728,000
Inventory res.	......	......	2,000,000	......	......	......
Surplus	$ 431,657	$ 655,539	$ 787,929	$ 66,061	$ 261,103	$ 356,524
Rate % earned	19.00	5.21	8.73	6.23	6.9	7.2

* Six months ended June 30, 1920, present company.
† Includes reserve for taxes, depreciation and depletion.

E. B. Eddy Company

An Old Established Canadian Industry With a Large Production

During the past year, the E. B. Eddy Company has carried out a gigantic plan of modernization and improvement in their properties; newsprint capacity has been more than doubled, the sulphite mill has been rebuilt and enlarged, new timber limits have been opened up.

The addition, the newsprint output has come on the market within the last few weeks and the number of employees has been increased to about 1900 persons. Eddy's have a varied output which consists of a daily production of 120,000,000 matches, 7 tons tissue, 25 tons board, 155 tons newsprint, 1,000,000 paper bags, 8 tons bags and manila, 15 tons wrapping paper and 10 tons book and writing paper. The company has been operating for the past 73 years. Its site covers about 75 acres at Hull, P. Q., and includes a hydro-electric development.

The newsprint mill buildings are so designed that the present output may be doubled without further extensions. The long, successful record of the company, coupled with the magnitude of its operations, make Eddy's a corporation of which Canadians may well be proud.

Bathurst Company

Produces and Sells Newsprint in the Maritimes and World Markets

The Bathurst Company entered the newsprint field in 1923; since 1907, it has been employed in the manufacture of spruce lumber, sulphite and sulphate pulp.

For three or four years, the company's earnings have been reduced as a result of the weak market for sulphite and it stands to benefit from any increase in pulp prices.

The company was the first newsprint manufacturer in the Maritimes and it supplies many of the Maritime newspapers. It is planned eventually to add another newsprint machine, which would bring the daily capacity up to about 120 tons. It is possible that 1926 may see this output enlarged.

The company has made provision for the installation of a third unit at its hydro-electric development—this would increase the capacity of the plant by 50 per cent. The company has its own deep water docks and its production is shipped to all parts of the world. The investment interest in the company centres on its two bond issues.

CAPITALIZATION

Common shares	$9,774,200
Bonded Indebtedness—	
6½% 1st mtge. bonds	$1,500,000
7½% 1st mtge. bonds	1,477,000

Convertible into common at par.

Timber Supply.—The company's and subsidiary's leasehold timber lands comprise 1,030 square miles in the Province of New Brunswick and 1,533 square miles in the Province of Quebec, which areas are held under lease direct from the Crown and are estimated to contain not less than 2,000,000,000 feet board measure of spruce, pine and cedar logs and 10,000,000 cords of pulpwood.

Properties.—Consist of mills and plants at Bathurst, N. B., and a developed water power at Grand Falls with a present capacity of 9,000 h.p.

Production.—A daily output of 50 tons unbleached sulphite, 50 tons of kraft pulp; 80 tons groundwood; and 60 tons newsprint.

Directors.—Angus McLean, president; A. E. McLean, vice-president; M. E. Priesch, vice-president; John A. Cameron, Ottawa; L. S. DeGraff, North Tonawanda, N. Y.; Gordon C. Edwards, Ottawa; Cyrus D. Jones, Scranton; F. P. Jones, Montreal; Harry L. Jones, Brooklyn, N. Y.; F. M. Kirby, Wilkes Barre, Pa.; A. E. Loosen, Bathurst, N. B.; Hugh McLean, Buffalo, N. Y.; E. S. Peck, Scranton, Pa.; F. L. Peck, Scranton, Pa.

Profit and Loss Statement, 1922

Net profit for year		$123,677
Balance fund	$305,805	
Less adjustments	27,794	
		$401,678
Less:—		
Bonded interest	$110.594	
Other interest	109,323	
P. & L. Balance		$181,770

Dryden Paper

In Hands of Receiver, Company is Making a Struggle Against Adverse Conditions in Sulphate Market

Unable to withstand the force of world conditions in the kraft pulp and paper industry, the Dryden Paper Company went into liquidation in the fall of 1923. The mills are being operated in receivership.

The kraft pulp industry throughout the world was overbuilt to some extent, and the low cost mills in northern Europe precipitated a crisis in world markets. This situation has been unfortunate for Dryden, for the company had completed a new wrapping-paper machine to bring its total daily capacity to 50 tons just before the trouble developed.

Wrapping-paper has always been the profitable end of Dryden's business. Its losses had been due largely to the necessity of selling kraft or sulphate pulp at less than cost of production. The new machine meant that a larger portion of the company's pulp could be converted into paper within the organization, and promised to improve profits to some degree.

Dryden is unfortunate in that it must find its market in Canada, which of course, absorbs a limited amount of paper, and in the export markets throughout the world, where it meets with intensive competition. It cannot sell its products in the United States because of heavy rates of duty.

The future for Dryden is largely a matter of guesswork, but in the meantime shareholders have the knowledge that the affairs of the company are being administered by some of the men who rank as leaders in the Canadian paper industry, and who will bring success out of its operations if anyone can.

The better buying power of Western Canada and the improved business outlook there has had a favorable effect upon the sales of the company. This company supplies wrapping paper chiefly to the western Canada market, where it has advantages over eastern competitors on account of freight rates. The improvement in retail trade on the prairies, too, has increased sales.

The company is still marketing a large extra quantity of pulp which is sent to American mills. This pulp comes into competition with the Scandinavian pulp, that is being dumped on the market at low prices and for that reason the situation as regards pulp is not so satisfactory as with paper. The demand for wrapping paper is not large enough to allow the mill to operate at capacity. The company's pulp production has been increased in recent months.

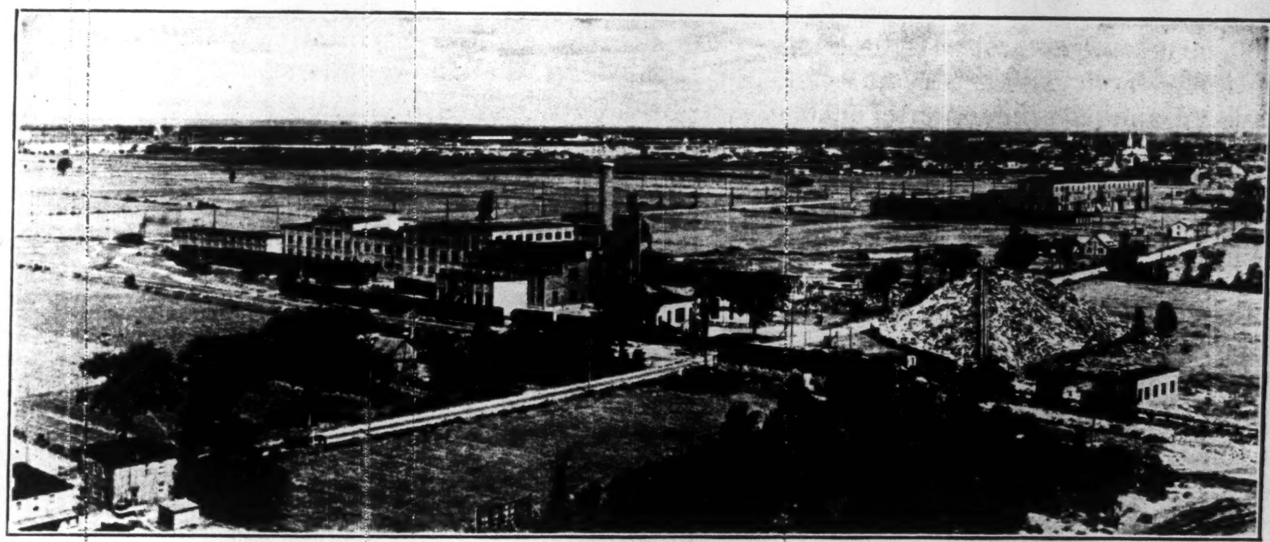
W.-Q.-P.-M.-Ltd.

Mills: St. Andrews East Que.

WESTERN QUEBEC PAPER MILLS LTD. 1803 1923 STANDREWS E.QUE.

Head Office: Keefer Bldg. Montreal

Manufacturers of
OLD MILL Onion Skin, Tissues, Waxing Paper and Specialties



The New and Modern Mill of the Company at Three Rivers, P.Q.

Annual Production
50,000 Tons

Gaining in Production

LAST year the St. Lawrence Paper Mill produced at approximately the rate of 135 tons a day. This year production has been speeded up and paper is now running through the machines at the rate of 160 tons a day—slightly over the rated capacity of the plant. The company has been producing for a period of two years and, while 1924 brought good business to the company, the results in 1925 have shown still further improvement. The paper production is marketed through the St. Maurice Paper Sales Company and American Newspapers have contracted for the entire production at $70.00 a ton for 1925. The plant at Three Rivers has a frontage of 1,500 feet on the St. Lawrence River, with 35 feet of water at the dock—this provides economical transportation facilities.

The mill contains two paper machines with a total daily capacity of 75 tons. The company has a wood supply which gives it a minimum life of sixty years. This is made up of timber limits which ensure a forty years' supply and, in addition, a contract with a responsible firm of pulpwood producers ensures a further twenty years' supply. The total timber resources owned occupy 789 square miles, located in Saguenay County, Quebec.

During the present summer the Company is constructing, and by October 1st, will complete, a ninety ton Sulphite Mill. Prior to this time they have purchased Sulphite pulp as required, on the open market, and the addition of a Sulphite Mill will mean a reduced cost of manufacturing paper, due to the fact that they will have their own source of supply. The additional Sulphite pulp manufactured has been sold to the Wayagamack Pulp & Paper Co., until such time as the St. Lawrence Company puts in two more paper machines.

St. Lawrence Paper Mills, Limited

Head Office: Cement Bldg., Montreal   Mill: Three Rivers, P.Q.

Selling Agents: St. Maurice Sales Co., Ltd., Montreal and New York

NEWFOUNDLAND

A Great and Growing Pulp and Paper Centre

Development in the Past Few Years Has Been Remarkable

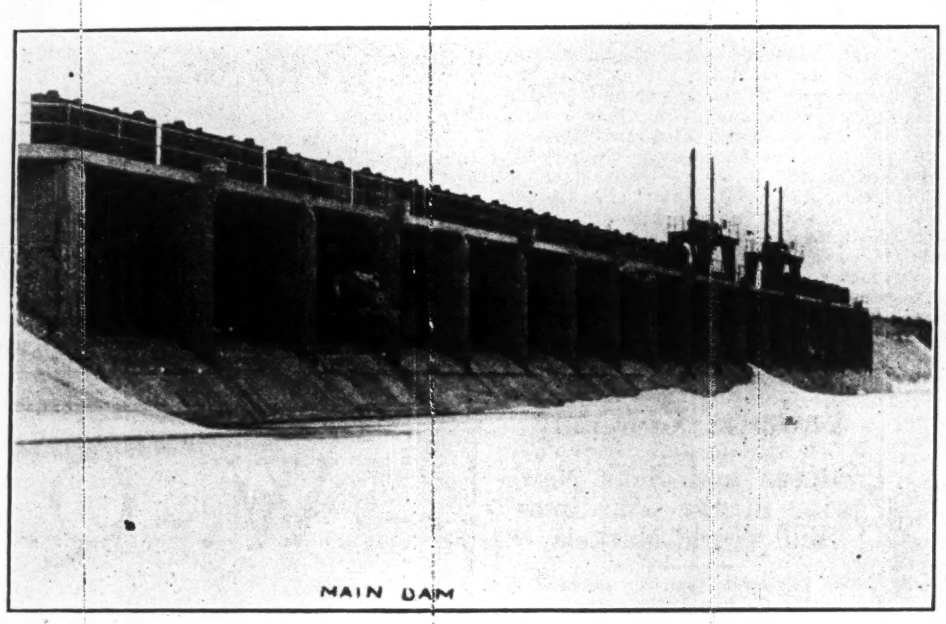
A Marvelous Development in Twenty Years

IT WAS in 1905 that Newfoundland first caught the attention of Lord Northcliffe and his associates, then looking for an assured supply of paper for their great and growing chain of newspapers.

Newfoundland offered to them an assured supply of pulpwood of the highest quality strategically located for their purposes. This was the initial pulp and paper venture in Newfoundland, which is now the second industry in point of importance in the country. At the present time its export value to the country is half that of its world-famous fisheries, but there is every ground for the belief that within a few years it may be the dominant industry of the Dominion.

The great plant founded by the Late Lord Northcliffe, The Anglo-Newfoundland Development Company, Limited, operates in Newfoundland one of the largest pulp and paper mills in the world. The work represents an investment of $6,000,000, employs 600 men, and controls 4,000 square miles of timber land. These mills at Grand Falls have an annual production of 90,000 tons of paper valued at about $7,500,000, and a subsidiary plant at Bishop's Falls, nine miles distant, produces annually 20,000 tons of pulp, of a value of about $360,000.

Another similar enterprise, but even larger in extent, is now nearing completion. The Newfoundland Pulp and Paper Company, located at Corner Brook, Bay of Islands, on the West Coast, will draw its supplies from the Humber Valley, one of the great timber sources of the country, Grand Lake and Deer Lake, the head waters of this section, being an almost limitless source of pulpwood. To finance this great project the British Government and the Government of Newfoundland have each guaranteed $9,000,000 of the bonds of the company. When completed and in operation it will have a daily capacity of some 400 tons of paper. A new town to satisfy the labor demands of these mills is, of course, a necessity, and this is being built concurrently with the plant, and is expected to be the second largest centre in the island.



Power Dam of the Newfoundland Power and Paper Company, recently completed.

Limitless Power Resources an Important Factor to the Industry

THE factor that does most to assure the economic development of this great industry is the virtually limitless resources of power. The whole country is interlaced with rivers of greater or less magnitude. The rocky nature of the land has resulted in an unusual occurrence of waterfalls. Almost every stream on the island has one or more fall, and in addition to this they are fed by large lakes that provide excellent storage basins. The rainfall is nowhere less than 40 inches, rising as high as 70 inches, while the run off, owing to the proximity of the ocean, tends to reduce evaporation and therefore increases the run off. The large river systems alone are estimated to have an available power of close on 500,000 h.p. It is evident how important this factor is to the pulp and paper industry.

It is, of course, equally important to other industries, and when one considers the proximity to British, American and Canadian markets, splendid transportation facilities, ample labor resources, it is evident that the country is destined to be a great manufacturing centre.

Timber Lands and Licenses

LARGE areas in Newfoundland are held under timber licenses. The applicants for such license must survey the limit, and pay to the government a bonus for such limits. The price varies with the nature of the limit, but in no case is it less than $2.00 per square mile. Such licenses are granted for terms up to 99 years, and they are governed by the following very definite conditions:

The licensee must:

1. Erect a saw mill or pulp and paper factory, or establish a manufactory of wood goods considered equivalent to the above, and must work the limit in a bona fide manner.
2. Utilize all the timber fit for use from the trees he cuts down for manufacture into sawn lumber or other saleable products.
3. Prevent destruction of growing timber.
4. Make returns to the Government annually, before the 30th November of each year.
5. Pay an annual ground rent of $2 per square mile. (No royalty is payable on timber trees manufactured into paper or paper pulp.)
6. Keep correct books of returns.

Further data about the timber and power resources of Newfoundland and regarding licenses may be obtained from the Minister of Agriculture, St. John's, Newfoundland.

Nearness to Consuming Markets Assures a Steady Demand

Other Pulp and Paper Industries

THERE are several other large projects in more or less definite states of development. One of these will be located on the Gander River, and will be supplied from the valleys drained by this important stream. This project is now well advanced.

Still another proposal that is taking definite shape looks to the development of the power resources of the streams of the south coast, and the tapping of the large pulpwood areas of that section.

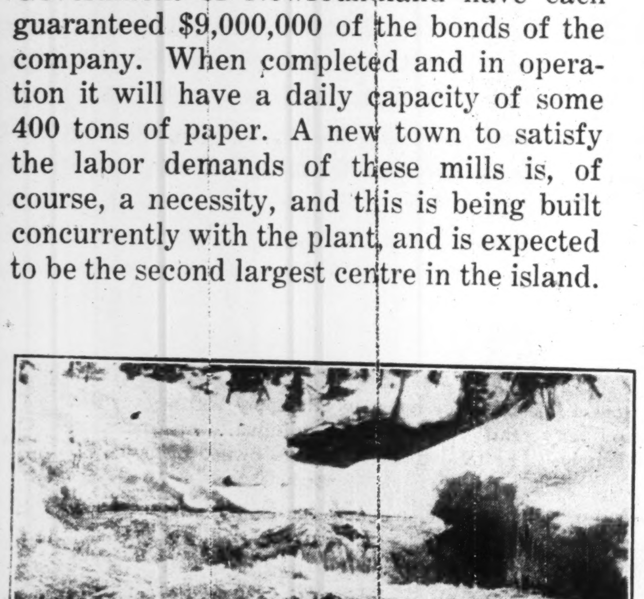
There are, of course, a considerable number of undertakings of a similar nature, though of a less extensive character.

There is also under contemplation at the present time extensive operations in the White Bay section looking to the export of rossed pulpwood.

Under the Newfoundland law the export of unmanufactured pulpwood is prohibited, though of recent years this regulation has been relaxed. Under an amendment to the Crown Lands Act the export for a limited period has been permitted on the payment of an export duty of one dollar a cord.

Newfoundland is amply supplied with timber, though the larger growths have been largely cut off, though considerable stands of timber still remain. On the whole, however, by its very character Newfoundland is a pulpwood rather than a timber section. The spruce and fir grow very thickly but not of large size, and the bulk of it is pre-eminently of pulpwood character. The main varieties are spruce and fir with a small percentage of white pine, with still smaller percentages of white and yellow birch and tamarack. Newfoundland spruce has been found to make good wood pulp, equal to the best and superior to most productions on the market.

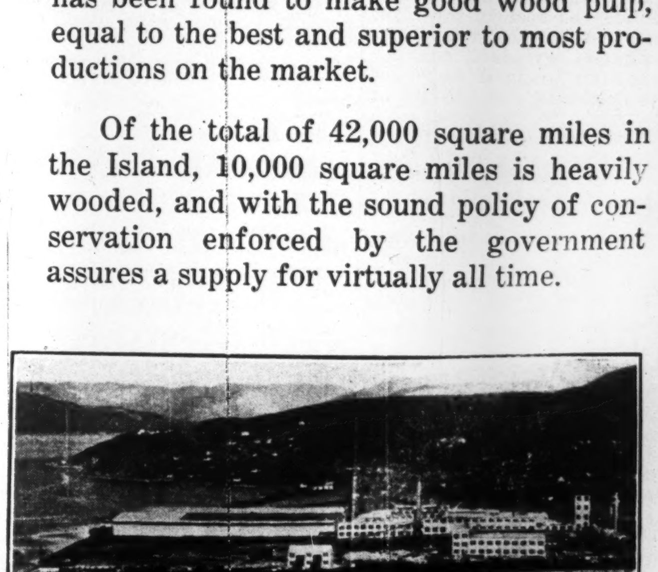
Of the total of 42,000 square miles in the Island, 10,000 square miles is heavily wooded, and with the sound policy of conservation enforced by the government assures a supply for virtually all time.



Power is abundant in Newfoundland. This picture shows Humber Arm before development.

Government Offices St. John's Newfoundland

W. J. WALSH,
Minister Agriculture and Mines



Newfoundland's newest pulp and paper mill.

Wayagamack Pulp & Paper

The Leader in the Sulphate and Kraft Paper Field — Will Shortly be Producing 200 Tons of Newsprint Each Day

The Wayagamack Pulp and Paper Company is the largest manufacturer of sulphate pulp and kraft wrapping paper in the world. Its growth has been steady and is largely the result of re-investment of profits in the business. The products are shipped all over the world; Wayagamack has an extensive export business and about half of its total production of kraft paper is for foreign countries. During the past year this branch of the company's business has greatly improved, and, with the rise in sterling exchange, should show further expansion as times goes on.

The company's surplus production of pulp over its own requirements for paper is largely shipped to the United States, where it enters duty free. The United States has a tariff against wrapping paper and for this reason export markets in paper are farther removed than the markets for pulp.

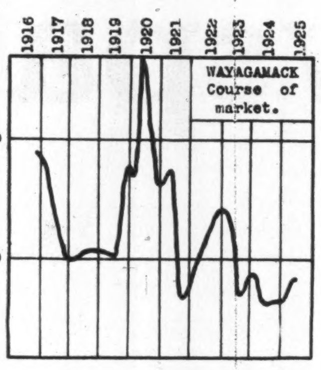
The company now sells a large portion of its sulphate pulp production, but it is a logical development that all the pulp produced will be manufactured into paper; the final product within the one organization. This is an ideal to strive for and is likely to be achieved in time, as Wayagamack's home and foreign markets develop.

The company has great natural advantages. It has a river channel, the St. Maurice, to bring down logs to the mill, and another river channel, the St. Lawrence capable of accommodating ocean vessels at its own docks to take away its paper. It has an excellent pulpwood and power supply, and a record of steady growth from a 50-ton mill in 1913 to its present capacity.

Last year the company decided to enter the newsprint field and Wayagamack News, Ltd., was incorporated in October, 1924, with a capital of £425,000, 5 per cent. fifteen-year guaranteed debenture stock issued under the authority of the British Trades Facilities Act; $1,500,000 fifteen-year, 6½ per cent. second or general mortgage bonds, and 2,000 common shares of no par value entirely owned by the Wayagamack Pulp and Paper Company.

The News Company is now erecting a groundwood and newsprint mill on Wayagamack Island, alongside the present kraft mill, with a rated daily capacity of 150 tons groundwood and 200 tons newsprint. The Wayagamack Pulp and Paper Company have issued $1,500,000, 6½ per cent., general mortgage and collateral trust gold bonds to enable them to advance by way of loan to Wayagamack News such amounts as may be necessary to erect and complete the mill, which loan is secured by the News Company's issue of second or general mortgage bonds. The parent company will operate the news mill when completed.

By producing this more diversified output, Wayagamack will create for itself a larger earning power without a commensurate increase in expenses. There will be a substantial saving in



overhead alone and it is estimated that approximately $200,000 overhead now carried by the kraft mills will be absorbed by the new unit, making higher net profits. Newsprint production should commence in a few months.

It will be of interest to the shareholders and the bondholders to note the estimate of future earnings made by the president of the company, C. R. Whitehead, when the bond issue was underwritten. He does not hesitate to forecast that Wayagamack will double its earning power.

PRODUCTION AND FINANCES

Pulpwood Supply.—The company holds under crown license 2,056 square miles of well located timber limits, estimated to contain sufficient pulpwood for all future operations.

Mills are located at Three Rivers, Quebec, with docks for ocean going vessels.

Production—260 tons sulphate pulp, 125 tons glazed and unglazed kraft wrapping paper daily. The company also produces 20,000,000 feet B.M. of lumber yearly.

Capitalization—	Authorized	Outst'd'g
Capital stock ..	$5,000,000	$5,000,000
Funded Debt—		
1st mtge. bonds 6%, due 1951		$4,425,500
1930 (6½)		$1,500,000

Dividend Record—

Initial dividend of 1 per cent. paid March, 1920; June, 1920, 1 per cent.: Sept., 1920, to June, 1921, inclusive, 1½ per cent. each quarter, none since.

Officers and Directors—

Officers.—C. R. Whitehead, president and general manager; Jas. W. Pyke, vice-president; F. I. Ritchie, manager; George Henderson, comptroller; D. L. Adams, treasurer; R. Collins, general superintendent.

Directors.—C. R. Whitehead. J. W. Pyke, Hugh Mackay, K.C., G. H. Duggan, Alex. Maclaren, N. J. Dawes, J. F. Taylor.

Market Record—	High	Low
1912	40½	28
1913	38¾	21
1914	32½	21
1915	26½	26
1916	112⅛	27
1917	97	50
1918	55	50
1919	90	45
1920	150¼	71
1921	89	27
1922	65½	34
1923	61¼	32
1924	46	32
1925 (to date)	52	34½

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Net income	$ 1,103,687	$ 2,152,707	*$ 156,712	$ 372,030	$ 893,396	$ 677,509
Bond interest	210,000	210,000	210,000	260,854	300,000	300,000
Bond discount ...	10,000	10,000	10,000	10,000	10,000	10,000
Depreciation	160,000	160,000	160,000	160,000	160,000	160,000
Stumpages	172,100	297,900	120,928	50,068	217,140	118,495
Resources	500,000	366,000	......	......	......	......
Dividends	......	250,000	150,000	......	......	......
Surplus	$ 51,587	$ 858,807	$ 807,640	†$ 108,892	$ 206,356	$ 89,014

* Loss.

Quebec Pulp & Paper

An Amalgamation of Chicoutimi Pulp and Saguenay Pulp and Power Cos.

The Quebec Pulp and Paper Mills is a company but recently formed by the amaalgamation of the Chicoutimi Pulp Company and the Saguenay Pulp and Power Company. For a considerable time, the affairs of both component companies had been in the hands of bondholders' committees, and it was not until July of this year that the amalgamation took place.

The new company starts its career with a bonded indebtedness of only $922,686, and the Port Alfred Company is responsible for the interest on $250,000 of these bonds—this has the appearance of sound financing.

Both the Saguenay and the Chicoutimi companies were taken over by the bondholders, and these bondholders received shares in the new company in accordance with the equity behind the various issues of both companies.

Working out the estimated earnings of the new company on a basis of the average gross earnings in the five-year period between 1919 and 1923, shows that earnings will meet bond interest and preferred dividend requirements and leave a large balance which would be applied to depreciation, reserves and, finally, common stock. Some may feel that the five years which form the basis for this estimate were exceptionally good ones for the industry as a whole—this is true, but at the same time, the Saguenay Pulp and Power Company during these five years wrote off some exceptionally heavy losses, so that earnings on the basis of the years 1919-23 may give a fair enough idea of what the results for the future might be, although they are only estimates and should not be taken as what actual earnings will be.

At the present time the mills at Chicoutimi are working to full capacity, and orders on the books are sufficient to keep the plant running at full time up till November next. The pulp is being produced for export, both for England and for the United States.

For many months both companies have been operated as one concern, so that the announcement of the merger meant little as far as actual operations are concerned.

The difficulties into which both companies were plunged was caused by the big Becker failure, and by this amalgamation the first mortgage bondholders should probably do well on their new investment.

Mattagami Pulp

Second Mortgage Holders Likely to Foreclose at Any Time and Reorganize Company

The Mattagami Pulp and Paper Company has been in the hands of a receiver since August 9, 1921, and the operation of the property since that date has shown a steady improvement, both in efficiency of operation and in the surplus of net working capital over and above the outstanding receiver's certificates The present value of the current assets is estimated at approximately $600,000 in excess of the outstanding certificates. Since the beginning of the receivership, no interest has been paid on either the outstanding $1,760,000 six per cent. first mortgage bonds or on the $3,925,000 seven per cent. second debenture stock.

As the largest individual holder of the mortgage debenture stock, I. W. Killam recently sent a letter to the debenture holders which formulated a plan for the complete reorganization of the company. The plan provides for the foreclosure of the mortgage held by the 7 per cent. second mortgage debenture stockholders and a new company to be formed, in which the entire issued capital stock would be distributed pro rata to the holders of the old debenture stock The new company would then issue first mortgage bonds or other securities to provide for the liabilities ranking ahead of the debenture stock and also to provide working capital —arrangements are to be made for the direction and management of the new company and, if considered advisable, for a voting trust for not less than three, or more than seven, years, to control the administration of the new concern.

Arrangements have already been made with the Royal Securities Corporation whereby they are prepared to purchase from the new company on reasonable terms the bonds or securities which would be issued to take care of the liabilities which at present rank ahead of the debenture stock.

It is understood that a majority of the debenture holders have concurred in the reorganization plan, which means that just as soon as foreclosure proceedings have been completed and the equity in the company transferred to the present debenture holders, the plan will take effect.

The mill is at present being run at full capacity. The average production since the beginning of 1924 has been over 50,000 tons of unbleached sulphite pulp per annum. The present management of the company is strongly of the opinion that a more satisfactory margin of profit would be realized if bleaching equipment were added to the mill.

On November 1, next, the interest on both these bond issues will be four and a half years in arrears. The past due interest requirements of the first mortgage bonds, therefore, approximately amount to $540,000. The amount required to retire the first mortgage bond issue and to provide funds for bleaching equipment for the mill will be in the neighborhood of $2,700,000.

Mr. Killam expresses it as being his opinion that the value of the property is sufficient to offset, not only the principal and interest of the first mortgage bonds, but the principal, at least, of the debenture stock also.

In other words, then, the first mortgage bondholders are to be paid off by a new issue of bonds; the second mortgage debenture stockholders will turn in their debentures and receive stock in the new company. The funds required to meet the claims of the first mortgage bondholders will be met by issuing new bonds. The new issue will also take care of working capital requirements.

Clyde and Sissiboo

Investors Interested Through Bond Issue — Controlled by British Interests

At the present time there is no market for the 6½ per cent., 20 year old bonds of the Clyde and Sissiboo Company, and it has been some time since a transaction has been noted. The issue was for $500,000, brought out in February, 1923, by the firm of Aemilius Jarvis and Company, which has since gone out of business, and was made to the public at par. It was well taken in Canada, and it is understood that the bonds are still closely held, largely by the original buyers.

Bondholders were probably fortunate in the developments which occurred following the Becker and Company failure. The bonds were guaranteed by the Becker organization, and the output was sold to them under contract for a period of 20 years. When the Becker crash came it looked for a time as though Clyde and Sissiboo security holders might be facing a rather serious situation, but it was arranged to dispose of the output elsewhere on what was said to be favorable terms. Control was transferred to Edmond Lloyd, Limited, a well-known English concern. Through the vesting of the common stock with them, the Lloyd Company guaranteed payment of interest on the bonds as long as they hold control, and up to the present time maturities have been met without difficulty.

The last report was that the plants of the company were working at capacity, and were likely to continue doing so for some time to come, inasmuch as output was completely booked up by the English concern.

Naturally, as long as Ed. Lloyd, Limited, hold control, bondholders may feel assured that all is well, but should the situation undergo further reversal, it is doubtful just what attitude the controlling company would take. The whole outlook for the bondholders seems to centre around this point, and only the future can determine whether the contracts for the sale of the product will continue to work out in the future as satisfactorily as they have done in the past.

Continental Paper

Expanding Canadian Subsidiary of International Paper Co. Making Paper Products

Canadian investors are interested in the Continental Paper Products by reason of its bond issue which was put on the market here about two and a half years ago. The company is the subsidiary of the Continental Paper and Bag Corporation, one of the largest manufacturers of wrapping and bag paper in the U. S.

The bonds of the Canadian company are guaranteed by the parent organization in the United States; incidentally, the latter is controlled by the International Paper Company which owns 59 per cent. of the stock of the Continental Paper and Bag Mills Corporation.

The Canadian Company has a plant at Ottawa, one of the largest of its kind in this country, which manufactures paper bags and paper products. No paper is made.

Continental Paper Products controls in turn the Continental Wood Products Company, which has extensive timber holdings in Ontario. At the present time the company is engaged chiefly in the manufacture of lumber and in the production of pulpwood, which is shipped to the American mills of the Continental Paper and Bag Mills.

Thus this group of companies, so closely affiliated with International Paper Company is following the International in extending its Canadian activities.

St. Lawrence Paper

Displays Strength Through Payment of Dividend Arrears

S. Lawrence Paper Mills has just completed additions and extensions to their plant, including a modern sulphite mill of 100 tons daily capacity. The underlying object of this addition was to give the plant a complete self-contained unit, well arranged and equipped with the highest type of modern machinery.

It is announced that all surplus sulphite not required for the company's own operations has been sold under contract to the Wayagamack Pulp and Paper Co. The St. Lawrence newsprint output is 150 tons per day.

Originally this company was organized by Noah H. Timmins and his associates of the Hollinger Mine under the name of the Three Rivers Pulp and Paper Company. The plan was to have a pulp mill only, but the slump in the groundwood market in 1923 caused a change in the plans of the company, when it was decided to manufacture newsprint as well. The name was changed to St. Lawrence Paper Mills, and, in May, 1924, the company made its first public offering of securities represented by a $2,500,000 bond issue. On June 30 of this year the company finished its second year of operation.

At the beginning of the current year the company gave evidence of its earning power by paying off all the arrears, amounting to 12 per cent., on its preferred stock.

The mill has an excellent management and low cost construction. The company produces groundwood for its newsprint mill.

PRODUCTION AND FINANCES

Property.—The newsprint mill which has been erected under the supervision of competent engineers, is of the most modern design and construction. It is located on the water front at Three Rivers, and is well situated both from the point of view of handling raw materials and accessibility to newsprint markets. The mill contains two paper machines of 75 tons daily capacity each; a total of 150 tons per day, or 45,000 tons per annum.

Timber.—The timber resources of the company consist of 789 square miles of leasehold timber lands located on the St. Jean and Magpie Rivers, Saguenay County, Quebec. These limits are estimated to contain a minimum of 2,000,000 cords of pulpwood, which, at the present rate of consumption, represents a 40-years' wood supply.

The company has also entered into a contract with John Breakey, Limited, lumber manufacturers, for a supply of 1,000,000 cords of pulpwood, delivered at the rate of 50,000 cords per annum. The limits which are owned by Jno. Breakey, Ltd., are located in the Beauce County, and are regarded as one of the finest stands of spruce in the province of Quebec.

Production.—140 tons of groundwood daily and 150 tons of newsprint. Sulphite now being manufactured as well.

Capitalization—	Authorized	Outst'd'g
Com. no par val.	50,000	50,000
8% pref. cum.	2,500,000	$2,500,000
Funded Debt—		
1st mtge. 20-yr., 6½% sinking fund gold bonds, due 1944		2,500,000

Officers and Directors—

N. A. Timmins, president; D. Breakey, E. Rossiter, vice-presidents; J. I. Rankin, secretary; Colin Breakey, A. K. Cameron, A. J. Nesbitt.

Fourdrinier Wires

Cylinder Covers
All kinds of Wire Cloth for Paper Mills
Dandy Rolls

The Johnson Wire Works
(Limited)
St. Henry, Montreal

"DOMINION" NEWSPRINT MACHINES

hold the record for Maximum and sustained production

122.0 Tons—
Record day's production
Trim 223 inches
Basis Weight 31.9 lbs.

110.059 Tons—
Average daily production for 15 days
Average trim 212 inches
Basis Weight 32.1 lbs.

Full information on request

DOMINION ENGINEERING WORKS LIMITED
MONTREAL CANADA

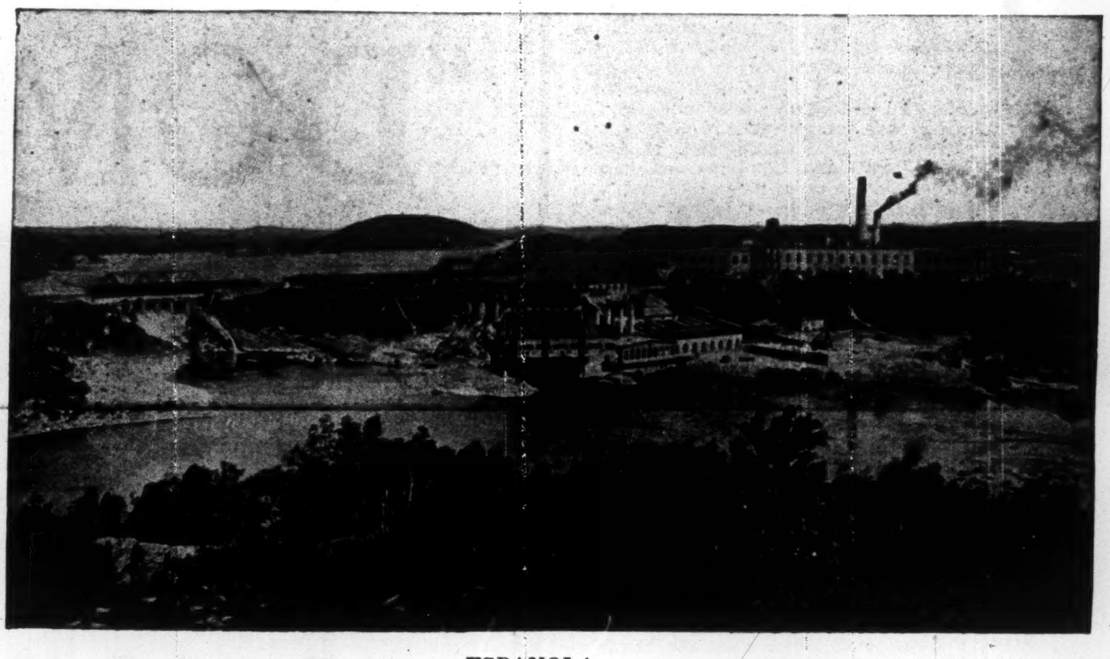
Four Million Newspapers a Day

PRODUCTION by tonnage no matter how striking the figures, calls up no picture to the mind. But consider a paper of the approximate size of this issue of The Financial Post and figure how much paper would go to the production of nearly four million of such papers, and you will get a comprehensive idea of the vastness of the daily production of The Spanish River Pulp and Paper Mills, Limited. Its daily production would more than handle the vast demands of the newspaper with the greatest circulation in the world.

And in addition to this, it is to be remembered that the newsprint output is second in point of output to the production of sulphite, groundwood and board.

An Assured Supply

The volume of this output is the best assurance of a stability of supply, day in and day out it produces its steady output of 700 tons of newsprint reaching in the year the surprising volume of 210,000 tons. This in conjunction with sulphite, groundwood and board make it the largest producing organization in Canada dealing in paper products.



ESPANOLA

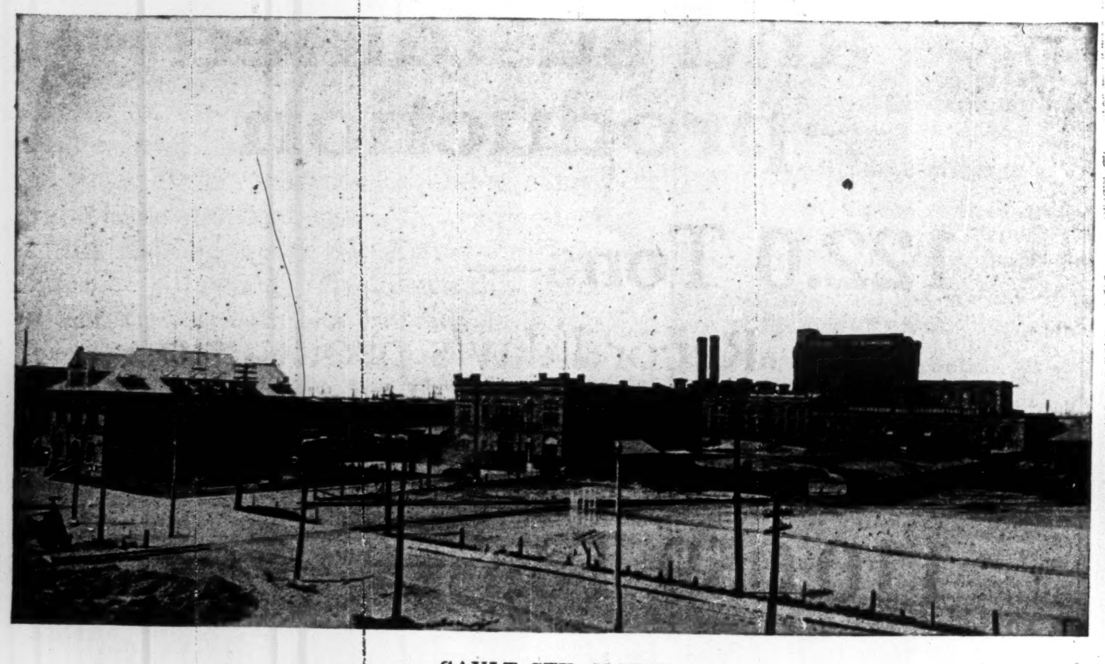
Three Units of Production

The company's plant is in three units located at Sault Ste. Marie, Sturgeon Falls and Espanola. Their respective production is as follows:

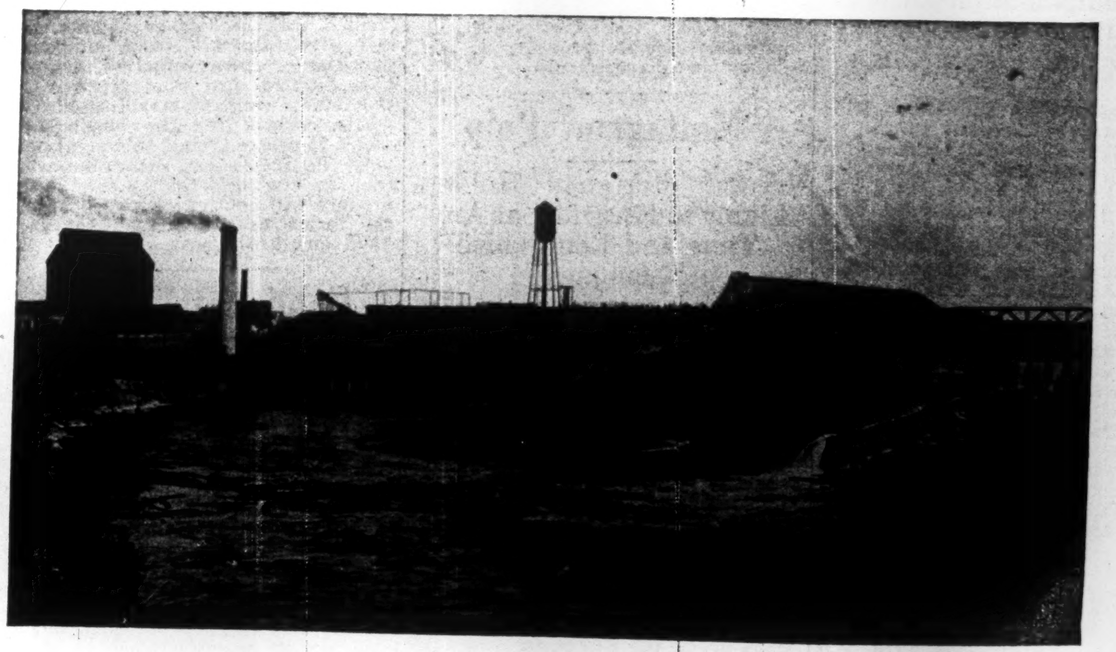
Sault Ste. Marie plant has a daily output of 250 tons of newsprint and 485 tons of sulphite, groundwood and board.

The Sturgeon Falls plant produces daily 130 tons of newsprint and 230 tons of sulphite and groundwood.

The Espanola plant produces a daily average of 320 tons of newsprint and 260 tons of groundwood.



SAULT STE. MARIE



STURGEON FALLS

The Spanish River Pulp & Paper Mills, Limited

SAULT STE. MARIE, CANADA

Provincial Paper

Seven Months' Business Ahead of Year Ago, While Unfilled Orders Are Largest of the Year — Outlook Excellent

Business with Provincial Paper Co., operating four plants in all, has been better this year than in 1924. Gross sales for seven months show a fair increase and net profits are larger due to a combination of larger turnover and better prices. Orders on hand at that time were the largest of the year. These facts are taken to indicate that, on the whole, 1925 should show a better operating result than 1924, when the company had a manufacturing profit of $878,012, compared with $498,333 in 1923, or 43 per cent. increase. This amounted, after all charges, to 9.1 per cent. on the common, on which 6 per cent. was paid. There has been gossip about an increase in the common dividend, but it is stated that it is too early in the year to discuss this.

The new paper mill and ground wood pulp mill at Port Arthur have had a good full year, and the other plants have done well.

Provincial Paper's business is in a slight measure subject to the ups and downs of business. Its chief products are the better grades of paper. When business is flourishing more letters are written and more catalogues published. When business falls off there is of necessity a certain easing in demand, though nothing like the curtailment in general business.

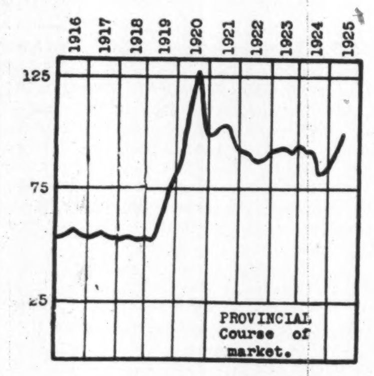
Rather an interesting recent development in connection with the company was the breaking into the New Zealand book paper market. There were two orders of 156,800 lbs., and they are thought to be the forerunners of a steady trade to New Zealand with Australia falling in line later when the new preference treaty, which is favorable to the paper trade, comes into effect. Provincial Paper is the leading producer of Canada in fine book, bond, writing, and coarser papers, and has heretofore found its market in Canada and U. S.

PRODUCTION AND FINANCES

Timber Supply.—Company controls by lease 1,300 square miles of timber limits on the north shore of Lake Superior.

Properties.—Include mills at Mille Roche, Thorold, Georgetown and Port Arthur, Ont. The additional mill at Port Arthur was completed during the past year to house two paper machines, of which one 146 inch machine was brought into operation last year.

Production.—In combined output the Provincial Paper Mills, Limited, is the



largest manufacturer and distributor in Canada of book, bond, writing and coated papers covering a widely diversified range and used in the manufacture of books, magazines, catalogues, trade papers, newspaper supplements and stationery. The four plants, including the new Port Arthur mill, have an aggregate output of about 100 tons of book and writing papers, 60 tons of sulphite and 35 tons of ground wood per day.

Capitalization—	Authorized	Outst'd'g
Common	$7,600,000	$3,500,000
7% cum. pref...	2,400,000	1,700,000
Funded Debt—		
First gold due 1940	$3,000,000	$1,425,000

Dividend Record—

Dividends on preferred stock of present and predecessor companies regularly paid quarterly. On common stock of the former company 4 per cent. per annum was paid in 1917, 1918 and 1919; Jan. and April, 1920, 1½ per cent. each; July, 1920, present company, to date, 1½ per cent. quarterly. Extra dividends of 1 per cent. each were paid Oct., 1920, Jan. and April, 1921, and Jan. 1923.

Officers and Directors—

Officers.—I. H. Weldon, president; T. A. Weldon, vice-president; S. F. Duncan, secretary-treasurer.

Directors.—Above officers and Alex. Fasken, S. B. Monroe, A. B. Connable, C. S. Campbell, Sir Chas. Gordon, K.C. B.E., R. S. Waldie.

Market Record—

Year	Common High	Common Low	Preferred High	Preferred Low
1916	57	56	..	....
1917	51¾	50	81	78
1918	49	46	78	78
1919	85	51	90	86
1920	130½	81	88	87
1921	102	87¾	87¾	82
1922	88½	80	95	80
1923	92½	83	98	92
1924	100	84	97½	90
1925	111¼	88¾	102	95

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Net profits	$ 423,569	$ 1,248,140	$ 761,395	$ 763,961	$ 503,322	$ 886,768
Interest	6,160	28,237	33,550	55,787	92,639	97,968
Depreciation	75,000	200,000	150,000	150,000	230,000	280,000
Other deduct.	......	10,000	60,000	70,000	20,000	71,048
Pref. divids.	119,000	119,000	119,000	119,000	119,000	119,000
Com. divids.	90,000	257,500	245,000	245,000	210,000	210,000
Surplus	$ 133,409	$ 633,403	$ 153,845	$ 124,174	*$ 168,317	$ 108,757
% earned com. ..	11.17	27.68	11.39	8.32	10.8	9.1%

* Dificit.

International Paper

Slowly Moving Its Newsprint Production to Canada—Due to Riordon Acquisition

Although an American corporation, the International Paper Company is of especial interest to Canadians due to the fact that earlier in the year it absorbed the Riordon properties. The latter concern was in the hands of its bondholders, and the bonds, according to the equity behind the issues, were exchanged with varying amounts of International bonds or shares.

All the old Riordon properties, together with the International Paper Company's mill at Three Rivers, are now held by a subsidiary, the Canadian International Company. The entire capital of the latter organization is owned by the parent company.

As the company is the largest producer of paper in the world, the announcement by the management that slowly its entire newsprint production would be moved to this country, while the United States mills, which were formerly engaged in this business, will be turned over to the production of higher-grade paper, or hydro-electric power means considerable expansion in Canada from time to time.

The raising of the production of the mill at Three Rivers from 320 to 500 tons is at present being completed. The installation of a further two machines is being arranged at present, so that, by the end of this year, the mill will have a capacity of 500 tons, and in 1926 a capacity of 700 tons a day. Expansion in the future probably lies in the Ottawa Valley, where, by its acquisition of the Riordon limits on the Gatineau River, the company has an exceptional site for the location of a mill. It is the eventual intention to build another mill here, which would bring the Canadian production up to well over 1,000 tons of newsprint a day. Preliminary surveys for this project have already been undertaken. There is the possibility, too, of expansion in the province of New Brunswick, where, through two subsidiaries, extensive timber limits are controlled. In any event, the company has contracted with the government of New Brunswick to take 14,000 horsepower from the government of New Brunswick when the latter builds its development at Grand Falls on the St. John River.

The water powers of the company are represented by a total production of 180,000 horsepower capable of being developed to a total of 600,000 horsepower. It is thought that part of the Canadian expansion programme will be the development of some of the power sites which are owned on this side of the border.

PRODUCTION AND FINANCES

Properties.—Company owns and operates fifteen mills—fourteen in United States and three in Canada. Also six pulp mills producing ground wood pulp for white papers, one kraft pulp mill, 13 sawmills, 17 rossing mills for removing the bark from pulpwood and 8 hauling out and cutting-up mills.

Production.—The normal daily capacity of the mills is 1,950 tons of paper (of which about 60 per cent. is newsprint); 1,689 tons of groundwood pulp; 739 tons of sulphite pulp and 55 tons of sulphate pulp.

Timber Reserves.—At the present time the company and its subsidiaries own in fee in the United States and Canada 1,604,000 acres of timberlands, they have stumpage rights over 1,335,000 acres and have 9,000,000 acres of Canadian Crown timber limit leases.

Pulpwood lands owned in fee approximates 6,000,000 cords and on Crown lands 23,000,000 cords

Dividends.—Not now being paid on common.

Directors.—Malcolm G. Chace, Allen Curtis, Percy H. Jennings, Chester W. Lyman, Ogden Mills, Ogden L. Mills, Albert H. Wiggin, R. Pagenstecher, Ogden M. Reid, F. N. B. Close, A. R. Graustein, H. C. Phipps.

Executive Officers.—A. R. Graustein, president; W. E. Haskell, vice-president; Allen Curtis, vise-president; Chester W. Lyman, vice-pres.; Owen Shepherd, treas.; F. G. Simons, secretary; B. O. Booth, auditor.

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Net rev. from per.	$ 7,044,455	$21,176,147	$ 134,465	$ 1,194,204	$ 8,074,577	$ 7,815,505
Other inc.	126,138	62,918	979,054	......	......	......
Total rev.	$ 7,170,593	$21,239,065	$ 1,113,519	$ 1,794,204	$ 8,074,577	$ 7,815,504
Deductions—						
Deprec. of mill plants	1,840,749	1,828,301	1,898,019	1,962,289	3,144,738	3,176,208
Int. on fund. debt	348,350	329,402	323,183	959,304	962,799	938,640
Ex. prof. tax res.	860,000	7,000,000	......	......	157,500	......
Res. for doubt. acc. &c.	.....	250,000	......	......	......	1,168,000
Total deductions	$ 3,049,099	$ 9,402,703	$ 2,211,202	$ 2,921,593	$ 4,265,037	$ 5,282,849
Net rev.	4,121,494	11,836,362	*1,107,683	*4,715,797	3,809,540	2,532,656
Pref. div.	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Inv. adjust.	......	......	5,998,715	2,846,691	......	......
Surplus for year	$ 2,621,494	$10,336,362	*$ 8,606,398	*$ 9,062,488	$ 2,309,540	$ 1,032,656
Prev. surplus	19,104,763	21,726,257	32,062,619	23,456,221	14,802,790	17,112,330
Total surplus ..	$21,726,257	$32,062,619	$23,456,221	$14,393,733	$17,112,330	$18,144,986

* Deficit.

Port Alfred

A Low Cost Producer Whose Position is Constantly Improving

The Port Alfred Pulp and Paper Company is the largest sulphite pulp producer in Canada with an annual production of 48,000 tons per annum. The company is the successor of the old Bay Sulphite Company and, although the latter concern went into liquidation and emerged as the Port Alfred Pulp and Paper, yet the bond interest has always been both earned and met.

During the past year the company has made considerable progress, production has increased and costs have been lowered, with the result that the position of the bondholders has much improved, for earnings are now understood to be twice the bond interest requirements. The company is one of the lowest cost producers of high grade sulphite on the continent. Recently, George H. McKee accepted the presidency of the company; it was under his guidance, Donnaconna became noted for its low cost production.

Large timber limits were acquired some weeks ago on the Peribonka River. As a result of the increased wood supply, the company proposes to enter the newsprint field and arrangements are now being made for a groundwood and newsprint mill which is to have a capacity of 200 tons a day. Construction is to begin immediately.

CAPITALIZATION

Authorized 30,000 shares, no par value.

Bonded Indebtedness

6½% 1st mtge. bonds due 1943 outstanding $3,962,830

Timber Supply — Company itself or through subsidiaries owns 50,000 acres of freehold timber and controls under lease from the Province of Quebec, 372 square miles of timber areas.

Properties— Include two modern mills at Port Alfred and in the Gaspe Peninsula.

Production—Capacity of the two mills is 70,000 long tons of sulphite pulp per annum. Newsprint mills are to be built with daily capacity of 200 tons.

Directors—

R. O. Sweezey, president; J. H. Gundy, vice-pres.; E. A. Macnutt, John W. Ross, A. Cross, managing director, A. Wagner, sec.-treas.

Whalen Pulp & Paper

If Company is Acquired by First Mortgage Bondholders, Reorganization Plan

A plan of reorganization has been arranged for the Whalen Pulp and Paper Company. This plan of financing is based on an offer made by the Royal Securities Corporation and recommended by the committee of the bondholders as a plan to place the British Columbia concern on a sound financial footing. The control is still to remain in this country.

The property will shortly be put up for sale; it is expected that the trustee for the first mortgage bondholders will be the only bidder at the judicial sale—hence the company will pass into the hands of the first mortgage bondholders, and a new company will probably be formed. In brief, the offer made by the Royal Securities Corporation to the first mortgage bondholders is as follows:

The new company is to have an authorized issue of first mortgage bonds amounting to $7,000,000. Sufficient of these will be issued to exchange for first mortgage bonds of the old company, par for par. The new company will sell $1,500,000 of second mortgage 7 per cent. debentures. This will provide working capital. Cumulative 7 per cent. preferred stock will also be issued. Only sufficient of this new preferred stock will be issued to provide for the arrears of interest on the old 6 per cent. first mortgage bonds of the Whalen Pulp and Paper Company. Common stock will be issued for such an amount as may be approved by the Royal Securities Corporation. This last issue will be in consideration of the Royal Securities Corporation underwriting the issue of second mortgage debentures.

There are outstanding at the present time $3,365,000 of serial bonds in the Whalen Pulp and Paper Company. The offer by the investment bankers calls for the issue of a like number of bonds in the new company, the only difference being that the old bonds were serial bonds, whereas the new will be straight term bonds maturing in 25 years.

Capitalization—	
Common	$8,000,000
Preferred 7% cum.	2,102,500
Debentures 7%	3,050,000
Funded Debt—	
Bonds, 6%.................	3,365,000

Acquired assets and business of B. C. Sulphite Fibre Co., Empire Pulp and Paper Mills, Ltd., and Colonial Lumber and Paper Mills, all in British Columbia.

Production capacity 60,000,000 feet lumber, 75,000,000 feet shingles and 35,000,000 boxes annually. A daily production of 240 tons sulphite pulp.

Timber Supply.—The company owns approximately 140,000 acres timber lands and leases an additional 36,358 acres.

In Receivership.—

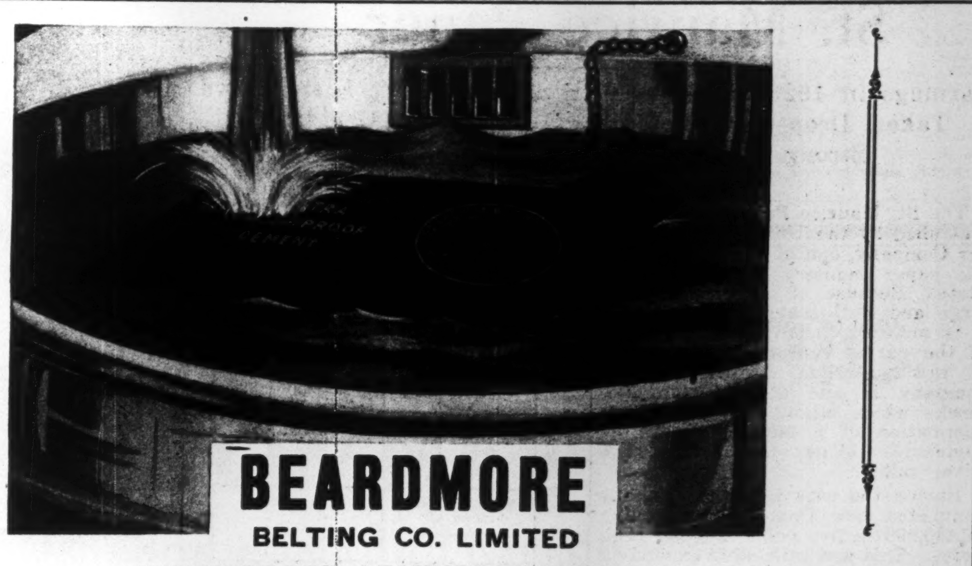
Bondholders Committee.—W. D. Ross, Toronto, Alex. Smith, Chicago, I. W. Killam, Montreal.

March 5th, 1925—

Funded Debt—	
I. P. Co. 6% S.F. Mortgage gold bonds (new issue)...	$22,500,000.00
I. P. Co. 5% 1st and Ref. Mort. bonds (closed issue)	18,356,000.00
Underlying bonds	2,478,090.04
Purchase money Mortgage...	5,595,671.47
Capital and Surplus—	
7% Preferred Stock	$ 5,369,950.00
6% Preferred Stock	25,000,000.00
Common Stock	25,000,000.00

Dividend (May 1, 1925)—

Initial quarterly dividend of 1¾% on new cumulative 7% pref. stock and regular quarterly dividend of 1½% on 6% pref. Both payable July 15. A further dividend of 33½% on unstamped stock, payable May 18.



BEARDMORE
BELTING CO. LIMITED
TORONTO WATERPROOF LEATHER BELTING FOR PULP AND PAPER MILLS MONTREAL

TRADE MARK

CANADA BOND

Made in White and Seven Colors

Suitable for sales letters, broadsides, envelope stuffers, folders, booklets, pamphlets, office and factory forms, departmental correspondence.

"A Good Bond Paper at a Reasonable Price"

Ask your Printer for Canada Bond

Made in Canada by

CANADA PAPER CO.
LIMITED

TORONTO MONTREAL WINDSOR MILLS, P.Q.

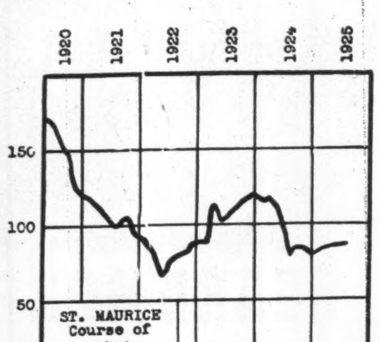
St. Regis Paper Company of Canada, Limited

Montreal, P.Q.

St. Maurice Paper

Earnings in 1925 Show an Increase and Bank Loans Have Taken Drop—Sound Finances Emphasize Company's Strong Position—Subsidiary of Union Bag

The St. Maurice Paper Company is controlled by the Union Bag and Paper Company, one of the big three in the paper industry in the United States. Because of its exceptionally large and well-located timber limits, it is an exceptionally valuable asset of the parent concern as a supplier of raw material. Incidentally, the company is one of the stumbling blocks which might hinder the consummation of a merger of all the companies along the St. Maurice River valley.



During the past year the company completed new financing by issuing $2,600,000 in five years, 5½ per cent notes. This was utilized in expanding the newsprint production by 150 tons daily, which has been accomplished during the past year with less expenditure than might have been expected due to the fact that there was a surplus production of both sulphite and groundwood pulp.

In view of the fact that the earnings of the company fell off in 1924, it is interesting to note that earnings for the first three months of the current year show an increase despite the fact of a weak newsprint market. Also bank loans have been reduced by at least 33 per cent. It is understood that the year's output was sold at the beginning of the year, f.o.b., mill, for $70 a ton for the year.

In due course the company intend to build a wharf, as there is water deep enough for ocean-going vessels on the property. This would enable shipments to be made direct to any part of the world.

The general position of the company is satisfactory; limits have been added to, the mill enlarged, financing completed on excellent terms, and the output comprises only newsprint with the exception of some kraft sulphate; the company gets the full value from its production. It is recognized that the company's newsprint has a high standing in the market.

There seems no reason to doubt the continuance of the present dividend even if newsprint goes on a definite $65 basis, as the company is in such good shape.

PRODUCTION AND FINANCES

Pulpwood Supply.—The company's timber limits are among the strongest, there being approximately 2,500 to 3,000 square miles of timber held under license.

Properties include four saw mills throughout Quebec and pulp and paper mill at Cap Magdeline, Three Rivers.

Production includes 275 tons of newsprint paper; 60 tons of sulphite, 200 tons of groundwood, and 65 tons of sulphate daily.

Capitalization—	Authorized	Outst'd'g
Stock	$10,000,000	$9,539,300

Funded Debt—
Gold notes, due 1929 .... $2,600,000

Dividend Record—
Initial dividend of 1¼ per cent. paid Dec., 1918; May, 1919, to May, 1920, 1¼ per cent. each quarter; Aug., 1920, to Nov., 1921, 2 per cent. quarterly; 1922, 5 per cent.; March, 1923, 1¼ per cent.; June, 1923, 1½, which rate has been paid since. A stock dividend of 30 per cent. was paid April, 1920, and a special dividend of 5 per cent. was paid May, 1920.

Officers and Directors—
Officers—M. B. Wallace, president; C. R. McMillen, E. B. Murray, vice-presidents; H. F. Smith, secretary; J. P. MacLaurin, assistant secretary; G. S. Rorke, treasurer; J. Wohnseidler, assistant treasurer; T. A. Wark, general superintendent.

Directors—M. B. Wallace, C. R. MacMillen, E. B. Murray, T. M. Day, R. M. Smith.

Market Record—

Year	High	Low
1920	158	124
1921	121	80
1922	95	70
1923	114½	88½
1924	112½	79½
1925	86	81¾

LARGER SUGAR BEET TRADE

Lethbridge, Alta.—That the sugar beet industry established in Southern Alberta would revolutionize conditions in the irrigated areas on the prairies, was the assertion of A. E. Palmer, assistant superintendent of the Experimental Farm, Summerland, B.C., in his address before the recent convention of the Western Canada Irrigation Association at Kelowna. He claimed that the result of the first season's operations were so good that 11,000 acres in beets were assured for the next year.

Earnings Record of St. Maurice Paper

Profit and Loss—	1919	1920	1921	1922	1923	1924
Oper. profits	$ 1,418,805	*$ 2,976,637	$ 1,046,679	$ 696,594	$ 1,253,431	$ 1,046,198
Deprec., etc.	426,030	363,296	339,950	251,518	213,377	209,760
Contingent	......	800,000	......	......	......	......
Tax reserve, etc.	100,000	......	......	......	......	......
Discount	22,500	......	......	......	......	2,154
Written off	14,933	......	......	......	......	......
Interest	138,417	43,353	......	......	......	91,173
Dividends	187,500	**788,777	631,992	394,995	849,239	572,358
Off inventory	......	......	703,241	......	......	......
Surplus	$ 529,425	$ 981,211	†$ 628,504	$ 50,081	$ 190,819	$ 170,751
Rate of earnings	14.34	$22.41	$ 0.04	$ 5.63	$ 12.25	7.7

* Includes $536,387 miscellaneous income.

Rushing the Logs to the Mills

One of the factors which makes for high wood costs in the pulp and paper industry is the length of time required to bring the logs to the mills. In some instances, it takes anything up to three years to move the logs from the limits to the plant wood piles. In order to expedite this movement, as early as possible in the spring of the year the lumbermen start to break the jams in the rivers—some are caused by ice and others by the logs themselves. Here is seen a party of men preparing to dynamite a jam. The man on the right with the fuse in his mouth may blow his jaw off at any minute, for he has placed the detonator on the fuse and is biting the end of the detonator to make sure that it does not slip off. The detonator itself is a highly sensitive explosive which is inserted in the dynamite to discharge it, for dynamite, unless it be frozen, requires a detonator to explode it—in other words another explosion—to set it off.

Behind the man, who has such a trusting disposition, are seen the various charges with detonators in place; sticking out from the bundle of dynamite sticks are the fuses. The dynamite is inserted into the strategic places in the jam by the long poles to which the explosives are attached.

The next man is tieing a few sticks on the end of one of the saplings, whilst the third from the right is cutting a hole in a dynamite stick in which to insert the detonator.

Manitoba Pulp & Paper

The Manitoba Pulp and Paper Company is a combining of the Spanish River Company and the J. D. McArthur interests of Winnipeg for the purpose of building a 200-ton newsprint mill at Fort Alexander on Lake Winnipeg. Work on the project has begun. Fort Alexander is situated on the English River about 70 miles from Winnipeg, and is within reasonable distance of the supply of raw material.

The company already has at its mill site camp buildings which will accommodate the men to be employed in construction of the plant. The mill site has been cleared and a small dock has been constructed.

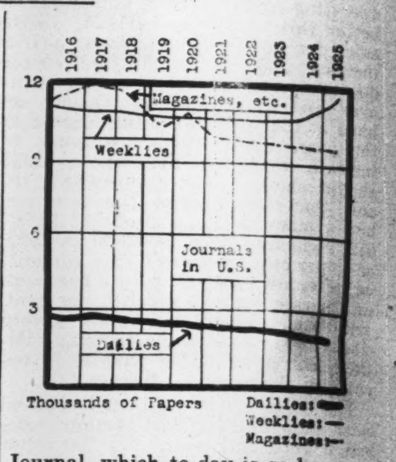
Number of Periodicals Falls; Paper Consumed Moves Upward

Future Indications Are That Consumption Must Increase Because of Periodicals' Ability to Provide Better Reading—Future is Interesting

THE chief reason for the growth of the Canadian pulp and paper industry has been the increase in the paper used by periodicals of one sort or another in the United States. It might naturally be thought that during the past ten years the number of periodicals across the border showed a decided increase, but it is rather a surprise to ascertain that the reverse is the case.

In 1916, there were in the United States, 25,518 periodicals of all sorts as compared to 25,174 at the present time. Ten years ago there were 2,494 dailies in the States and to-day there are 2,348; in the year 1916 there were 11,178 regular newspapers other than dailies, to-day these are the only kinds of journals which have shown an increase, and the total number at present is 11,958. Magazines and periodicals declined from 11,846 in 1916 to 9,868 to-day.

During the past ten years there has been but a slight variation in the number of journals. The downward trend is indicated in the following graph:



All this, of course, does not mean a smaller demand for newsprint, but it does indicate the rapid growth of those periodicals which have been able to withstand the economic struggle.

Advertisers More Awake

During the past ten years many papers and magazines have dropped out, whilst others have merged with stronger brethren. The real reason behind the decline is the fact that advertisers are watching closely their expenditures and buying space in those papers which provide the largest circulation in the fields which they wish to reach—in brief, it is simply economic pressure, such as has merged banks and various industrials in this country.

The future developments in the newspaper field in the States provides an interesting line of conjecture. For instance, what is to be the outcome? Here are the papers, on the one hand, getting fewer, whilst, on the other hand, advertising is increasing as well as occupying an increasingly large space in the papers which remain.

As far as the reader of the magazine is concerned, for the future, he should obtain more and better reading material, that is, as far as fiction goes, anyway.

This probably means that the Americans will continue to have fewer and fewer magazines—the leader in each special field will gradually gain in size and prestige until his competitors are forced out. Probably one of the most startling examples of this is the Ladies' Home Journal, which to-day is so large and so powerful that it probably exercises more influence with the women of the United States than any other one factor. To-day, the Ladies' Home Journal can get American women to do just as it says—except, of course, where their instincts are run counter to by some editorial policy. This last is exemplified by the fact that the Ladies' Home Journal put on a campaign to stop the sale of aigrettes and pointed out to American women that wherever an aigrette was purchased a mother bird had to be killed and naturally the young ones died. However, the womanly instinct of bedecking the person in gaudy clothes was not to be overcome and unfortunately, the sale of aigrettes went up by leaps and bounds due to the Journal's publicity.

However, this is beside the point, which seems to be that although periodicals will decrease in numbers, yet the amount of paper consumed will show an increase due to the better reading matter in those journals which survive.—J. R. T.

BETTER PORT ACTIVITY

HALIFAX.—Activities at this port during the first half of the current year are somewhat better than during the corresponding period a year ago, according to a report issued by the Harbor Master. Exports in the first six months of 1925 amounted to $16,672,134, as compared with $16,460,405 in the same period a year ago. Imports totalled $8,065,433, as against $7,806,209 in the first half of 1924. The total amount of shipping tonnage in and out of this port during the period under review was 7,524,718 tons, compared with 5,948,580 tons in 1924. Customs receipts for the six months ended June 30, 1925, totalled $1,754,871, as against $1,546,940 in the first six months last year.

DONNACONA PAPER CO.
LIMITED

Plant of the Donnacona Paper Company showing excellent rail and water shipping facilities.

Manufacturers of

Newsprint Paper
Mechanical Pulp
Sulphite Pulp

Railway Connection: Canadian National
Water Shipments: Via St. Lawrence Route

DONNACONA, QUEBEC.

Price Brothers

Vast Expansion Programme Undertaken — Enjoys Low Cost Production — Situated Favorably as to Power — Financial Structure Strengthened During Year Despite Landslide Loss

Last November, Price Brothers and Company received a blow, through the occurrence of a landslide at the Kenogami plant, from which it will take some time to completely recover. This is seen in the last balance sheet which showed an increase of some $1,300,000 in deferred assets covering the cost of some of the replacements necessitated by the landslide.

At the time of the annual meeting, the directors pointed out that this item would be completely written off during the next three years. The idea back of this is, that due to the disaster, the company had experienced sufficient loss in 1924, owing to extra costs and curtailment of operations, therefore it was decided to write off the cost of replacements during the next three years.

The company's newsprint mill is now producing at the rate of 525 tons daily. The rated capacity of this mill is only 500 tons. From this it can be seen how complete has been the recovery from the disaster.

Last November, Price Brothers increased their capitalization by the issue of $7,000,000 preferred stock. This move has been commended in many quarters, for in the case of some concerns, this further financing would have been carried out by the issue of more bonds of the $25,000,000 issue, of which there are at present outstanding but $10,000,000. Overloading of the mortgage debt of this company is being avoided.

The judicious raising of capital by bonds is, of course, good business, but in the past, the collapse of many companies has been attributable to the continuous drain on the working capital, due to having to meet high semi-annual charges for bond interest.

Price Brothers' business has been in existence for over 100 years and at the present time is the fourth largest producer of newsprint in the world. The company owns one-quarter of the capital stock of Duke-Price Power company, which commenced the development of its power sites at the beginning of this year.

The present production is 575 tons per day, 50 tons of cardboard and paper specialties from the Jonquiere mill, and from the mill at Kenogami, 525 tons of newsprint. Plans for expansion are being carried out which will place Price Brothers and Company at the pinnacle of the newsprint producers in Canada, with a total of 900 tons a day. These plans, when carried through, will place the company second only to International Paper Company among the newsprint mills of the world.

Plans call for the construction of two new mills of 200 tons capacity; one of these is well under way and will be in operation at the end of this year. It is situated on the Little Discharge, flowing from Lake St. John; the estimated cost of the company's expansion programme is $6,000,000.

The next step in the completion of this expansion programme will be the construction of another mill with an initial capacity of 200 tons, which will later be increased to 400 tons. The situation of this new mill has not been decided on, but it is likely to be near Chicoutimi and present plans are to have it in operation early in 1927. By 1927 then, in the neighborhood of 900 tons of "print" will be turned out each day; this may be brought up to 1,100 tons when required.

Some criticism is leveled at the company for expansion plans of such magnitude when at the present time newsprint prices are lower and the market anything but strong.

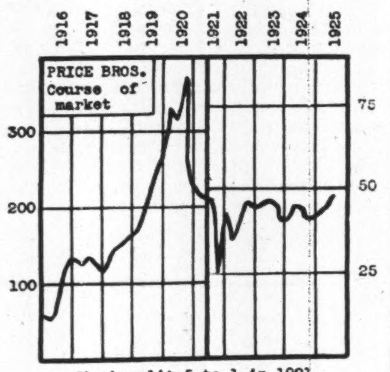
On the other hand, there are those who are in touch with the situation who feel that overproduction in the industry is but temporary and, in justifying further expansion, they point to the past to show that had not many of these mills increased their capacity before the call came for more newsprint, they would have lost out in the paper field through the entrance of new companies. From this, they believe that a newsprint company, in order to take advantage to the full of the increasing market for its product, must prepare in advance for the demand and must, as a consequence, take its chances with the other operators.

Anyway the company can compete with the world in the matter of costs, and therefore it is less bothered than other mills with over-production.

The company is gradually obtaining more and more energy from its subsidiary power company at advantageous rates. In addition to its paper business, Price Brothers are also among the largest lumber producers in Canada. Dependent, of course, upon reforestation, it is estimated that the company's timber resources are inexhaustible.

As far as the shareholder is concerned, he can not look for much enhancement in the price of his holdings for the present, but it is well to remember the management's successful record and the possibilities of the future when once the gigantic expansion programme is completed.

Recently the company received securities of the Aluminum Company of America with a par value of $4,274,000. This stock was obtained through the sale of a power site which belonged to the company's subsidiary, the Duke-Power; the company benefits greatly by this sale and in addition adds considerably to its working capital. All in all, the company's position has improved considerably despite the heavy loss experienced last autumn.



Stock split 5 to 1 in 1921

PRODUCTION AND FINANCES

Pulpwood Supply.—The company's timber limits are the finest in Canada and aggregate 8,700 square miles estimated to contain 47,782,055 cords of pulpwood.

Mills.—At Kenogami for newsprint; at Jonquiere for cardboard and specialties and at Rimouski for groundwood. There are nine sawmills.

Production.—Newsprint, 540 tons daily; woodboard, 25 tons; sulphite 150 tons, and groundwood 400 tons.

Capitalization—	Authorized	Outst'd'g
Stock	$60,000,000	$49,683,200

Shareholders in old company received five shares of stock in new company for each share of old stock in 1920.

Funded Debt—

1st-mtge. 6 per cent. bonds, due 1943, $10,000,000.

Dividend Record—

On stock of predecessor company dividends were paid as follows: Initial dividend of 1½ per cent., Sept., 1916; Jan., 1917, 1½ per cent.; April, 1917, 3 per cent.; July, 1917, to April, 1918, 1½ per cent. each quarter; July, 1918, to Jan., 1921, 2 per cent. each quarter. In addition, extra dividends of 2 per cent each were paid Feb., 1918, and Feb., 1920. Stock dividend of 22 per cent. paid Feb., 1920. On stock of present company 2/5 per cent. bonus was paid Jan., 1921; Feb., 1921, 2/5 bonus; April and July, 1921, ¾ per cent. each; Oct., 1921, to date, ½ per cent. quarterly.

Officers and Directors—

Officers.—John H. Price, president; George H. Thompson, J. M. McCarthy; vice-presidents; J. Leonard Apedaile, H. E. Price, secretary-treasurer.

Directors.—Above officers and Sir Ion H. Benn, Bt., C.B., M.P.; W. S. Hofstra, A. J. Price, Chas. A. Pentland, K.C., Sir Herb. S. Holt, J. A. Scott, Sir Keith W. Price.

Market Record—

	High	Low
Old Company		
1913	73	65
1914	60	60
1915	..	..
1916	132	60
1917	134	115
1918	151	120
1919	260	155
1920	385	250
New Company		
1921	42¼	24¾
1922	47¾	30
1923	47	39
1924	45	26¼
1925	50	35⅝

Profit and Loss—

	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25
Gross profit	$ 2,055,782	†$ 1,135,450	$ 1,327,332	$ 2,338,934	$ 3,408,966	$ 3,128,126
Bond int. and sink. fund	419,976	139,992	419,976	419,976	551,515	600,000
Other interest ...	14,000	2,000	2,000	......	......	......
Other deduct.	150,000	......	......	......	......	......
Deprec., etc.	......	......	......	700,096	1,142,013	1,189,365
Net profit	$ 1,471,806	$ 993,458	$ 905,356	$ 1,218,862	$ 1,715,438	$ 1,338,761
Dividends	*690,684	341,466	1,067,080	853,664	853,664	853,664
Surplus	$ 781,122	$ 651,992	**$ 161,724	$ 365,198	$ 861,774	$ 485,097
Rate earned	17.25	2.33	$ 2.12	$ 2.85	$ 4.00	2.7

* Not including $1,540,000 stock dividend (22%) paid out of surplus accumulated prior to Jan. 1, 1917.

† For four months ended Feb. 29, 1921.

** Deficit.

How Many Cords of Wood in a Newspaper Edition?

One ton of newsprint contains roughly 1,300 pounds of mechanical wood pulp, which in turn represents five-sixths of a cord of rough spruce wood, together with 500 pounds of sulphite (chemical wood pulp) representing one-half cord of spruce wood.

One ton of newsprint, therefore, represents one and one-third cords of wood.

A typical New York city newspaper weighs approximately six ounces to twenty-four pages. One pound of newsprint equals sixty-four pages of this paper; 1/3 cords wood equals 128 999 pages, one cord equals 96,000 pages, which equals 4,000 copies of a twenty-four page newspaper.

This is a fairly close approximation, but about as near as can be calculated for the average condition.

MAGNITUDE OF INDUSTRY

"The United States is the greatest paper-consuming country in the world," states R. S. Kellog, secretary of the News Print Service Bureau, New York. "In 1920 the per capita consumption of paper was 148 pounds, as against 76 pounds in Great Britain, 45 pounds in Germany, 33 in Scandinavia, 12 in Japan and 6 in Russia, and it is still growing.

"The newsprint paper used in the United States in 1924 would blanket 12 000,000 acres, or nearly the combined areas of New Jersey, Massachussetts and Connecticut. It would belt the earth three-quarters of a mile wide at the Equator, or make a standard roll 72 inches wide that would unwind 16,500 000 miles or reach to the sun in 5 years and 8 months."

SPANISH-ABITIBI MERGER REVIEWED AS IT MIGHT BE

Would Make a Big Concern and Keep Out Opposition

OTHER POSSIBILITIES

The Proposed Amalgamation Might Include Many Other Companies in Its Scope

Altogether aside from viewing the question of a merger between Abitibi and Spanish River interests in an economic light and not taking into consideration that some feel that there would be no benefit to be gained by such a merger, while others believe that it is essential to meet possibly keener competition in the industry as a whole, it might be of interest to briefly review the possibilities and the thoughts which have been flying around now for a long time about this possible amalgamation.

There are now seven companies in Ontario with production of newsprint amounting to over 2,000 tons a day. Some of the gossip indicates that the new combination would embrace five of these, which would make the production of some 1,600 tons a day. The companies which would not be included are the Booth Company, Ottawa, and the Ontario Paper Company, Thorold. The latter is owned and operated by the Chicago Tribune to supply its own requirements. The Booth production is 140 tons per day, and the Ontario 300, a total of 440 tons as against 1,610 tons of the suggested combination. There are altogether 30 companies in the list of Ontario concerns producing pulp or paper, but a large majority of these confine their operations to various kinds of pulp and to specialty paper; there are 16 pulp and paper mills in all in the provinces. As to the Spanish River Company and the Abitibi Power and Paper Company, both these organizations have long had but one sales agent for their export market, the Geo. H. Mead Company. For a long while back there has been gossip around the street and in the brokers' offices that Abitibi and Spanish would merge—this, however, does not mean that there is any truth in these rumors. In any event these ideas have been somewhat extended or added to and now it is said that the Backus interests in western Ontario who control two newsprint producers would be included in the amalgamation. Mattagami has also been mentioned. As this concern manufactures sulphite pulp, it is doubtless considered a potential producer of newsprint.

These companies between them control very important timber areas and it is considered doubtful, taking all the present holdings into consideration, whether there would be an opening for any further enterprise in that particular field should the rumors become fact. If the amalgamation did eventually take place, there is no doubt that it would be a strong one, and exert a powerful influence on the newsprint market for many years to come.

Should there be any possibility of all this occurring, it might mean that the merger of the paper companies in the St. Maurice Valley would also be brought about.

The following table shows the daily production in tons of various companies which might be included:

	Ground-Wood	Sulphite	Newsprint
†Abitibi..	510	140	500
*Keewatin	...	...	100
*Fort Frances ..	150	...	150
Ft. William	120	...	160
Mattagami	...	150	...
†Spanish R.	665	290	700
Combined	1,445	580	1,610

†In addition to the above, Abitibi produces 30 tons of wrapping paper daily; Fort Frances, 6,000 sq. ft. of insulite; and Spanish River 35 tons of wood pulp-board, as well as 150 tons of excess sulphite pulp above own requirements.

*Controlled by the Backus interests.

Comparison of capitalization:—

	Com. Stock	Pfd. Stock	Funded Debt
Spanish	$9,447,000	$8,619,500	$11,496,527
Abitibi	250,000 shares no par value	1,000,000	10,321,900
Mattagami	2,000,000	1,500,000	5,785,000

Financial returns of the Fort William and two Backus concerns are not made public.

ENGLISH ELECTRIC COMPANY
OF CANADA LIMITED
CONTROLLING
THE CANADIAN CROCKER-WHEELER COMPANY LIMITED

INDUCTION MOTORS
SYNCHRONOUS MOTORS
DIRECT CURRENT MOTORS
TRANSFORMERS, ALL CLASSES
ELECTRIC TRACTION EQUIPMENT
ELECTRIC WINDING PLANTS FOR MINES
ELECTRIC PLANTS FOR ROLLING MILLS
ALTERNATING AND DIRECT CURRENT GENERATING PLANTS
STEAM TURBINES AND CONDENSERS
FLAME AND EXPLOSION-PROOF MINING MOTORS
ELECTRIC LOCOMOTIVES
ROTARY CONVERTERS
TURBO ALTERNATORS
DIESEL OIL ENGINES
TURBO BLOWERS

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ST. CATHARINES, ONTARIO
District Offices: MONTREAL, TORONTO, VANCOUVER, SYDNEY, N.S.

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LOOK FOR IT IN ALL YOUR STATIONERY

Good paper does not just happen. Selected rags must go through a slow and careful process of manufacture. It is this selected material and the extra time and carefulness that has created the demand for Beaver "S" papers.

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Beaver "S" Papers
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The Newsprint Paper Market Reviewed for the Investor

What is Outlook Now for Newsprint Stocks?

A Thorough Review of the Industry Which Will Assist the Investor in Estimating What the Future Holds

HOLDERS of securities of Canadian newsprint companies have probably been speculating frequently of late as to the future of this branch of the paper industry. The recently announced price of $65 a ton for 1926 provides some measure of disturbance to the minds of the investors. They possibly are inclined to feel that it will cut unpleasantly into the profits; that dividends may be in danger and, as a consequence, stock market prices must decline. There has been a lot of talk, too, about over-production, all of which suggests a study of the situation.

Before going further, though, it might be as well to admit at the outset that the immediate future of the newsprint industry does not look overly bright. There are, however, many things which place the picture of the future in a considerably better light than might be thought by a purely superficial glance at the situation. Also, it is well to remember that exactly a year ago the situation looked much the same as it does now. Exactly one year ago, prices had been cut; the minds of investors were disturbed; it was thought that profits and dividends might be cut and there was the same talk about over-production. The newsprint companies have already come through a year when many prophesied trouble and have come through it successfully, so for the future it looks as if, taken by and large, the Canadian companies will be able to keep on making profits. However, it must not be thought that, even though many of the signs and portents are hopeful, this article is of a bullish nature; on the other hand, it looks as if most of the Canadian companies can face the future with confidence, even though profits may possibly be lowered a little.

The rapid growth of the industry in Canada is one of the marvels of the past decade. We are to-day turning out about two and a half times as much newsprint paper each month as was produced in this country when the Great War ended. New mills have been built, and new mills continue to grow up in various parts of the country—although recently, there has been some holding back of projected mills which were only in the blue print stage, due to the possible over-production. To-day, Canadian mills have a capacity in excess of 5,100 tons a day of newsprint and actual daily production of newsprint has averaged as much as 5,300 tons a day in some months of the present year. At the present price of $70 a ton, this means close to $375,000 a day that the newsprint mills of Canada are adding to the wealth of this country.

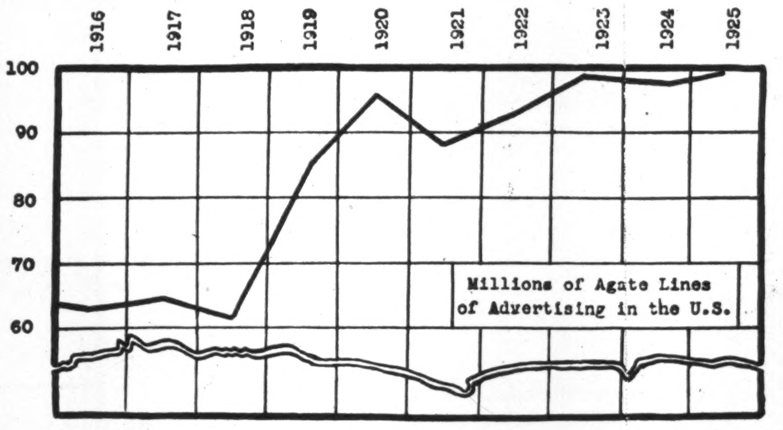
Canadians Have Large Equity in Industry

To build the newsprint industry to its present position has required the investment of many millions of dollars. If we take the investment per daily ton of newsprint produced at $40,000, we have a total investment in newsprint production of over $200,000,000 and the amount of money that has been put into the industry does not fall far short of this figure, in fact, may exceed it. Much of the financing has come from the United States, and a certain amount from Great Britain, but a great deal of money has also come from the Canadian investors. Some of the companies in Canada number their shareholders well up into the four figures.

The growth has been brought about by the growing consumption of the product in Canada and the United States—principally in the United States. It began to grow in Canada when the U. S. lifted the tariff wall that had barred our newsprint paper from that market. It reached the greatest stage of growth during the war period and the period that followed gave great stimulus to the reading of newspapers and to advertising of all sorts, including newspaper advertising. The size of a newspaper depends on the advertising; when the advertising doubles in its size, the newspaper itself doubles, too. Newspapers during this period of expansion sometimes doubled and even quadrupled their size, as compared with pre-war years. Sunday newspapers sprang up like mushrooms and printed a hundred pages or more each week and, even with all this additional reading matter, circulations even increased more rapidly. Newspapers that sold, say, 50,000 before the war, in 1919 often touched 150,000 or 200,000. It is interesting to note that the chain of newspapers and magazines owned by that arch anti-Briton, William Randolph Hearst, uses an amount of newsprint paper which is approximately equivalent to 60 per cent. of the entire Canadian production. One paper alone, the Chicago Tribune, averages in its consumption the production of several of our smaller Canadian mills.

Earnings Mounted With Great Rapidity

Possibly the thing which really started the ball rolling was the rapidly increasing earnings of many companies who felt, that if they showed all these earnings, the government would take them in war taxes and, consequently, promptly proceeded to spend the money in any way possible. It was felt that one of the best ways of spending it was by advertising. The advertising kept on increasing by leaps and bounds and probably for the first time in history many companies learned that advertising brought results. This is indicated by the fact that since the war, the advertising, of course, fell off during the slump period in 1920-21, but it did not fall off to preceding levels and for the first five months of 1925 advertising in the States reached a higher peak than it has ever done before. The story is better told by the following graph which traces the actual space used in the majority of periodicals during the past ten years:

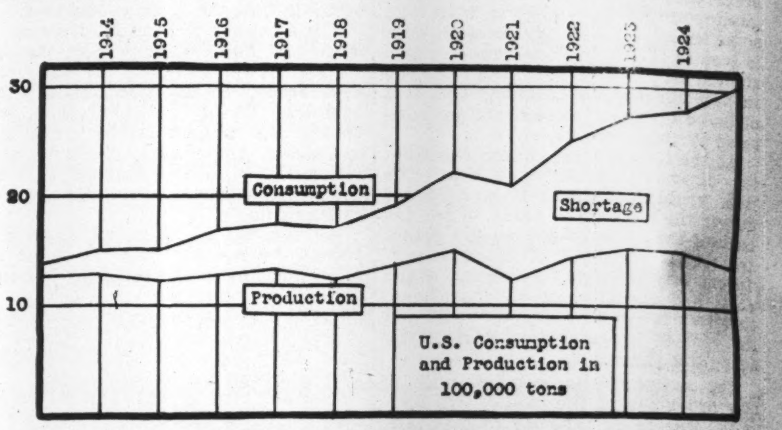


Funnily enough, the slump in 1921 fooled a good many newsprint men and advertising men. When business generally blew up throughout the whole continent, many expected that advertising would fall off in the same proportion, with a consequent loss to the newsprint companies. It fell off, but not as badly as many expected because business men in the States had learned that advertising really would help sales and, as a consequence, advertising was promptly called in to clear the slow-moving goods from the warehouses.

Forest Resources Dwindled

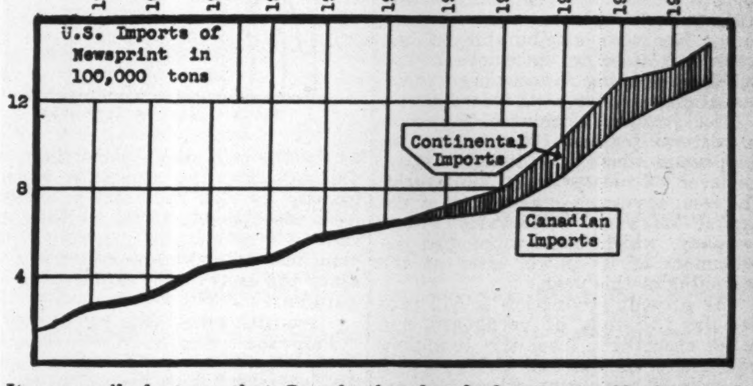
By 1914 the American newsprint mills were just about keeping up with the demand for their products—they were slightly under it. Production was not increased because many of them had practically reached the end of their forest resources. If new machines were added, the output of these machines came into competition with the Canadian manufacturers, who were floating their own logs from their nearby timber limits to their mills and direct from the mills, either by water or by rail, to American newspapers—this gave the Americans the keenest kind of competition. They were face to face with the alternative of either purchasing their wood from Canada or building plants in this country adjacent to our forests. The latter expedient was adopted in most cases because of the obvious economy.

From 1913 until to-day the American production of newsprint advanced but only 166,000 tons per annum. The production for 1924 in the United States was 1,471,000 tons. Between 1914 and to-day consumption of newsprint has gone ahead by leaps and bounds in the States. This is graphically shown in the next chart. The figures of consumption year by year and the figures of production are shown on the same graph. Thus the white area shows the shortage between consumption and production in that country. It will be seen that, as the years have rolled by, the shortage has grown in size. Incidentally, it is interesting to see that the lines showing consumption and production appear to be curving away from each other, so that, as far as can be judged from the past, the tendency for the future will be a greater increase year by year in this shortage. It can be taken for granted, speaking broadly, American mills cost more to operate than Canadian, so that it can be seen that the economic trend of the industry is towards Canada. Indeed, the president of the International Paper Co., A. R. Graustein, has definitely stated that his company will increase its newsprint production here, while, at the same time, its newsprint production in the United States will be gradually decreased. The graph follows:



Shortage Has Been Met by Canadian Exports

The foregoing chart shows the shortage has largely been met by increasing the imports of Canadian newsprint. Some paper has come from Europe and, at times, continental manufacturers give the Canadian manufacturers something to think about. But, in the main, the business has come from Canada and it will continue to do so. The next graph shows the U. S. imports of newsprint during the past ten years. In 1913 the States imported 147,479 tons of newsprint. In the previous ten years the annual imports only totalled 1,348,638 tons. In the latter figure only 153,000 tons came from other than Canadian manufacturers. On the graph the white space represents Canadian imports, whilst the thick black line and shaded portion show the imports from the continent. It will be seen that the ratio between Canadian and continental imports is, to all intents and purposes, the same now as it was over ten years ago.



It can easily be seen that Canada then has had an ever-widening market for its newsprint across the southern border. How does this production in Canada compare with that of the American?

At the moment Canada and the United States are running neck and neck in newsprint production. But the time is at hand when this country will completely outpace its opponent in the matter of production.

Canada is just about to step into the leading position. The next graph shows Canada's long climb to a position which more than threatens the American leadership. The monthly production in each country is indicated

(Continued on page 31)

Abitibi Power & Paper Co.
Limited
MONTREAL

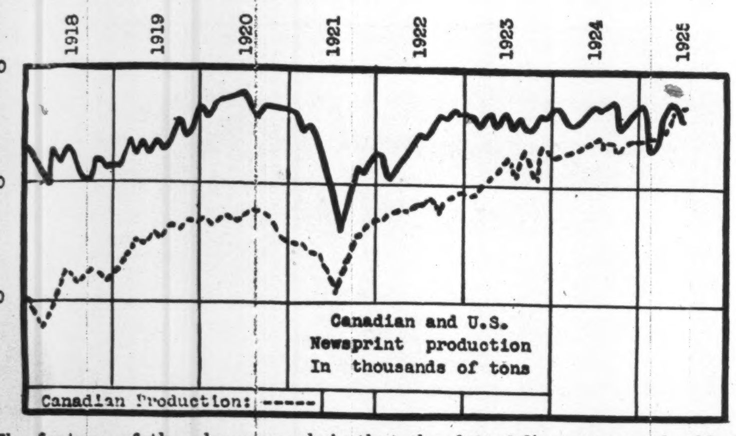
Yearly Capacity:
150,000 TONS NEWSPRINT

Mills at
IROQUOIS FALLS
ONTARIO

What is Outlook Now for Newsprint Stocks?

(Continued from page 30)

by the two lines. The dotted line is the Canadian production whilst the black line is the American production.



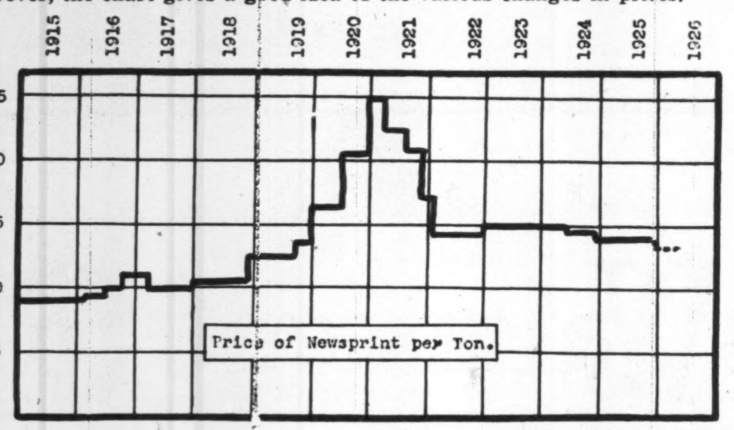
The feature of the above graph is that the dotted line crosses the black line for the first time early in 1925 and again a little later this year. Production of newsprint in Canada in July—not shown on the chart—also exceeded production in the United States. This means that for three months this year the newsprint produced in this country was larger than the amount produced in the American mills.

It is to be hoped that, with the exception of 1920-21, production in Canada has been gaining rapidly. This has been decidedly beneficial to the financial position of the Canadian producers. When prices first started to rise during the war, our newsprint mills were able to build up a fine working capital position. After the war newsprint soared still further and even reached, at one time, $130 a ton. This, however, was only for small lots of paper. During this period, still further strength was woven into the balance sheets and excellent reserves were put away for less prosperous days. When the slump finally did come at the close of 1920, the mills were well entrenched and stood the shock well. Naturally, the prices of their securities slumped, but they have come back and have reached a normal level. Newsprint prices settled down to $70 and later went back to $75 a ton; at either of these figures the Canadian mills can earn nice dividends without trouble. As to the 1926 price of $65 a ton, which has been announced by one company, it seems a safe enough bet to say that Canadian companies can earn dividends at this price for their product. The way to work it out is to look at the balance sheet of any of the companies, figure out their earnings on a basis of so much per ton. It seems a very safe bet to say that $65 a ton newsprint will not lower any dividends, except possibly of the smaller producer who is working on a narrow margin. The crux of the matter, though, is that many think there is decided over-production—if there is a real over-production, that is in any quantity, the question then to be answered is, why not lower than $65? However, the publishers themselves in the United States are very anxious to avoid price-cutting as then they, in turn, would be asked to lower their prices for advertising and circulation.

To return to the slump at the close of 1920. Previous to this, new mills continued to spring up in Canada and, of course, consumption of newsprint also continued to go ahead, but not as rapidly as the erection of new mills. By the beginning of 1924 a situation was reached where it became apparent that more newsprint would soon be produced than could be satisfactorily absorbed. The normal increase in newsprint consumption on the continent is about six to eight cents a year. The average increase over twenty-five years was about seven per cent. But production increased 24 per cent. in 1922 and another nine per cent. in 1923. Even so, the increase was not much greater than the normal when considered over a longer term of years. It was just sufficient, however, to cause some temporary difficulty. The heads of the various mills got together and came to the conclusion that if everybody slowed down production a little, it would not be necessary to reduce newsprint prices at all.

An effort was made in 1924 to hold newsprint prices steady but it fell through when a number of mills declined to slow down their machines and went ahead full tilt. This created a little surplus supply and prices began to sag. The biggest buyer of newsprint—the Hearst organization—which does not bind itself to any great extent by long-term contracts—was able to buy newsprint as low as $68 and $70 a ton, although the fixed prices was $73. To-day the same thing applies. Many continental shipments are changing hands at under $70 a ton and possibly some smaller shipments to the U. S.

The following graph shows the movement of newsprint prices. Although the graph shows prices going up step by step, this is not what occurs in practice. Usually it takes some little time for a new level of prices to be established and then, if prices are falling, one or two mills will begin to sell below the market, until finally everyone is selling along the same rate. However, the chart gives a good idea of the various changes in prices.



Profits naturally have to take a drop. The newsprint mills obviously are not making as much money now as they were making when they were selling their product in a waiting market of $75 a ton. Profits in the financial statement for the present full year and later are likely to show some small decline. The decline should be small, however, because mills have been able to get their expenses down in many directions. For instance, wages have been falling for some years now.

Also, in the past, many companies have been making capital expenditures out of their yearly earnings—in this way they have greatly improved their position.

The brighter side of the present situation is that it looks like being only a temporary condition. There should be no worry over the future of the Canadian newsprint industry. Judging from the record of the past and the undoubted economic advantages which we have here, there must eventually be a waiting market for Canadian newsprint.

Canada has many advantages over U. S. for manufacture. These important considerations must not be forgotten: that Canada has cheaper water power and more abundant wood supplies than the United States, and that while the American newsprint industry has reached practically the limit of its advance, the Canadian newsprint industry has raw materials for greater progress.

That Canadian mills, because of their natural advantages, can produce newsprint paper more cheaply than the average American mills and in competition for business are able to win out for this reason.

That Canadian mills are more modern than the American mills and in fact many of the American mills are to all intents and purposes obsolete, and are being converted into fine paper plants and power plants. This all tends to relieve the over-production situation and to clear the markets for Canadian newsprint.

That Canadian newsprint companies are no longer the weak, struggling concerns they were before the war, but rather powerful organizations with excellent reserves and strong positions as regards working capital.

That newsprint use in Canada and the United States is steadily growing and this broader increase must be looked at in preference to a temporary over-production.

All of this being true, the newsprint stocks measure up to the investment standard demanded of them.

Canadians Won't Stop Spending

To the Editor, Financial Post:

Your remarks in The Financial Post of August 7 re economy in national expenditure, and the desirability of reducing taxation, are most interesting and instructive. But I greatly doubt if the average Canadian will make much effort to reduce the expenditure of money. You have to take into account the temperament and psychology of the inhabitants of Canada. They are probably the most optimistic people on earth, and the future bothers them but little. They will go on borrowing, spending and smiling till not another dollar can be borrowed. The final crash is not far off. All your wise advice will not avert it. "Jacta Est alea." If we try to give good advice we will be told we are "knocking the country."

I venture to say, that no political party will materially reduce the expenditure. Insolvency looms in the near future, so leave us alone in our happy folly. We don't bother in smallest degrees, and we won't thank you for good advice.—MEDICUS

Record of the Sulphite Kraft and Board Producers

Exports of Paper and Pulp, Except Newsprint, Have Shown a Weak Tendency in Past —- Six Months in 1925 Show Improvement

A short resume of the activities of the sulphate, sulphite and paper board sections of the industry will be of interest to the investor in those companies which manufacture paper or pulp products other than newsprint. At the end of this article are tables which show the exports of the various products other than newsprint, from 1920 up to the end of the first six months of the current year.

SULPHATE

During 1924 the production of wrapping paper in Canada totalled 89,441 tons with a total value of $8,027,918 as compared with a production in 1923 of 84,912 tons valued at $7,666,174. The increase in production was not as large as possibly was expected, yet prices were fairly steady, which proved advantageous to the Canadian manufacturers. Foreign competition in the kraft industry last year made some stride at some places; there was a considerable increase in imports of wrapping paper from the United States, Sweden and Germany into Canada. At one time, it was thought possible that this foreign competition with the sales of Canadian-made wrapping paper would be increased by the lowering of the tariff, but legislative action last year was delayed in this connection.

The total export of wrapping paper in 1924 was 22,024 tons—valued at $3,259,991, as compared with export of 21,275 tons valued at $3,170,429 in 1923. This does not indicate a large growth in the export business of the kraft companies, but considerable improvement has been shown during the current year.

However, these paper companies in Canada which manufacture wrapping paper also manufacture sulphate pulp; some of the pulp they retain for their own use, the remainder is sold either in Canada or abroad. And the tonnage retained for use in Canada totalled 52,803 in 1923, as against 56,456 tons in 1924; this may be considered a fair improvement, as the more pulp the kraft mills can consume, the larger will the earnings be.

The total production of sulphate or kraft pulp in 1924 was 218,207 tons, with a total value of $11,850,309; this compares with a production in 1923 of 224,813 tons with a total value of $13,559,189.

SULPHITE

During 1924, the most important factor in the sulphite market was the increased importation of European bleached and unbleached sulphite by the United States. Imports of the unbleached variety showed an increase of about 24 per cent. and the bleached about 7 per cent. for the year. The European producers, the Swedish in particular, have again demonstrated their ability to increase production to record levels and found their most profitable markets in the United States, where the Canadian companies also look for their consumption.

The demand in the United States has been well maintained, but European sulphite also had the advantage of exchange rate which helps to keep prices down. This tendency seems to have abated.

The total sulphite pulp, bleached and unbleached, produced in 1923 amounted to 750,000 tons, while in 1924 the total came to 768,000 tons. Because of competition the exports of bleached and unbleached sulphite pulp fell off a little during last year. However, this means that more of the pulp is being turned into paper in this country. However, even with this increased competition, the shipments to the United States have been fairly mell maintained. As far as can be learned there seems to have been hardly any increase in the consumption of sulphite pulp on the continent within the past year. However, indications point to an increased consumption on the continental markets more or less shortly. All this depends on Europe getting back to something like its old purchasing power.

BOOK & WRITING

The book-paper and writing-paper mills are still confronted with difficulties occasioned by over-production and a restricted market both at home and abroad. During 1924 production showed a slight decline in these grades; production was as follows:

	Tons 1923	Tons 1924
Book paper	35,079	28,542
Writing paper . . .	18,113	22,072
Total	53,192	50,614

During 1924 the exports of these grades of paper fell off considerably. In 1923, 72,540 cwts. were exported as compared with 42,813 cwts. this year, a decrease of 41 per cent. for the year. To account for this it is but necessary to turn to the year's trade returns, which show corresponding increase in the imports of this type of paper.

Prices, however, have remained fairly firm during 1925.

There is one thing which would prove of great benefit to this branch of the pulp and paper trade; it is the establishing of a protective tariff against foreign competition in magazines and those engaged in the printing trade. For some time now the printers and publishers of Canada have had this matter in hand and have been putting up to the government the need of a protective tariff.

PAPER BOARDS

The demand for paperboard during 1924 was fairly dull, and during the current year the mills are holding their own, or a little better, as compared with 1924. The Canadian mills have had to face severe competition from the United States; there the board mills experienced a decline in the demand for their product, and ship to Canada at extremely low prices. The production figures for the three years ending 1924 show a good increase, but only a slight increase between 1923 and 1924. The figures in hundredweight are as follows:

	Prod.	Can. Shipm.	Exports
1924	98,036	84,543	13,606
1923	97,959	83,432	14,715
1922	90,889	78,203	12,514

CANADIAN EXPORTS

Sulphite Pulp Export

	Tons	$
1925 (6 months)...	71,089	4,373,755
1924	140,183	8,331,931
1923	146,345	9,453,758
1922	148,335	9,166,818
1921	99,539	7,199,218
1920	133,146	12,805,460

Wrapping (Kraft) Paper Exports

	Tons	$
1925 (6 months)....	10,849	1,489,245
1924	21,586	3,222,520
1923	20,364	3,087,957
1922	18,277	2,740,049
1921	6,893	1,295.332
1920	17,727	3,448,516

Bleached Sulphite Pulp Exports

	Tons	$
1925 (6 months) ...	92,873	6,852,636
1924	165,869	12,383,646
1923	159,873	13,568,320
1922	151,048	12,112,480
1921	76,801	7,540.128
1920	100,640	15,225,226

Unbleached Sulphite-Pulp Exports

	Tons	$
1925 (6 months) ...	124,492	6,576,559
1924	222,227	11,611,367
1923	228,003	12,405,995
1922	208,445	10,377.746
1921	127,389	9,122,612
1920	281,854	30,778,486

Book Paper Exports

	Cwts.	$
1925 (6 months) ...	16,110	147,822
1924	22,874	189,113
1923	49,318	345,956
1922	31,695	225,710
1921	34.167	444,628
1920	58,768	628,118

Bond and Writing Paper Exports

	Cwts.	$
1925 (6 months) ...	5,619	49,501
1924	19,939	209,364
1923	23,222	240,535
1922	12,228	132,980
1921	23,698	411,083
1920	55,788	800,037

Paper Bond Exports

	$
1925 (6 months)	1,586,749
1924	3,386.925
1923	3,248,177
1922	2,328,929

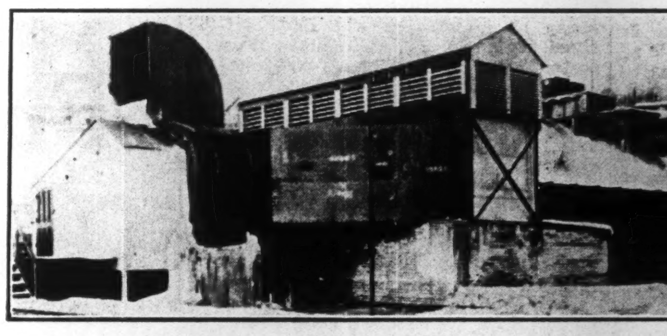
Bird and Son

Business is in a Measure Subject to Variations of Building Trade

The lack of any real building activity, coupled with close competition for the business available, has served to hold down the profits of Bird and Sons. The company produces asphalt roofing and felt at its Hamilton plant, and a special roofing at its Port Rouge, Que., plant, so that its business is pretty well subject to the variations of building. Construction this year, judged from the building permits, is off somewhat as compared with 1924, and the last annual report of Bird and Sons, which covered 1924 operations, showed a decline of profits of about $6,000 as compared with 1923. The company's working position is excellent, working capital being up from $368,361 to $410,843. Current liabilities were materially reduced, and a $25,000 bank loan wiped off.

Bird and Son, Inc., are large owners of the company's common stock and last year they refunded their usual charges for executive salary and cancelled others, which increased the net of the company for the year by about $12,000.

an organization of experts who devote their entire efforts to installing every type of air system for Pulp and Paper Mills



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FROM THE FOREST COME MORE OF THE SILK STOCKINGS

Demand for Rayon Gives Filip to Wood Pulp Industry

It is a far cry from short skirts to Canada's northern forests—but not so far as it looks, for the shorter the skirt, the greater need for pretty ankles. This can only be accomplished through silk stockings, which in turn, are expensive unless they are made from artificial silk, and the artificial silk, in many cases, is made from Canadian sulphite pulp. The connection seems somewhat involved, but it is there just the same, for each year more and more pulp from northern Canada goes into the making of artificial silk—though it is not always used for silk stockings. For this reason the future of rayon, or artificial silk as it used to be called, is of interest to those who have a stake in the sulphite pulp business of this country.

At the present time, there is but one sulphite mill in Canada which manufactures pulp of a grade suitable for the manufacture of silk; for this reason there may be some who might question the possibilities of this market and its advantages to Canada. This brings us to the short and meteoric career which has so signallized the artificial silk trade.

There are some who say that the ever increasing use of rayon marks the beginning of a revolution in textile circles. Whether this be true or not, it is interesting to note that Wall Street, for the first time, has started to interest itself in the career of this youngster who is really not much more than ten years old.

The best way of visualizing the ever upward curve, which indicates the increasing amount of rayon used, is through figures of world production during the last ten years. Here they are:

1914	26,000,000	pounds
1918	35,000,000	"
1919	40,000,000	"
1920	50,000,000	"
1921	65,000,000	"
1922	79,738,000	"
1923	97,000,000	"
1924	141,164,000	"

Apart from any extravagant claims, it is no doubt true that developments in the manufacture of artificial silk are affecting the textile trade in a way in which few developments have done in recent years. Figures shown above are impressive, but so is the attitude of the leading textile trade journal of the United States which only a year ago dismissed the subject of rayon in a few rather sarcastic paragraphs. Now this is all changed and many of these trade papers devote large space to the industry.

As approximately half of all the artificial silk made comes from sulphite pulp, all this is of interest to Canadians in general and to the holders of shares in any sulphite pulp company. From this it must not be thought that the only thing necessary for a sulphite mill to do, is to sell the silk manufacturer his pulp. Such is not the ease, for in the United States there are probably only four companies which are able to produce the type of pulp necessary, and as has been said, Canada has but one mill at the present time engaged in this division of the industry.

The manufacture of pulp sulphite of such a grade as can be used in rayon manufacture is an extremely difficult process and those companies, which are at present successfully operating along these lines, have had many years of experience back of them—indeed it is doubtful if many of our mills at the present time could produce a pulp suitable for rayon. Nevertheless, the possibility is there and it represents a new and rapidly expanding market for our forest products.

At present there is an active demand in the rayon market and consumption is running at the highest rate yet recorded. The expectation is that this demand will continue its upward trend if only for the reason that the female mind still continues to largely concentrate itself on beautifying the body; the purchase of rayon for dresses and stockings represents the cheapest way in which beauty may be achieved. In the cotton mills, it is gradually more and more being used to add lustre and fineness to the weaves, and the textile manufacturer in general is showing a tendency to use more rayon.

The estimate of world production for the current year is 160,000,000 pounds. In general, Europe will probably show the most rapid expansion in its manufacture during the next year or so and it is considered that Italy, in particular, will make the most rapid strides in this connection.

There is but one factory in Canada engaged in the actual manufacture of rayon; it is at Cornwall, Ontario, and was completed but recently.

With the output of this new commodity creeping up on that of natural silk, it is not to be wondered at that the silk producing companies are worried. World production of rayon last year amounted to 141,164,000 pounds as against 110,000,000 pounds of natural silk.

Various factors have combined to advance the development of the artificial silk industry, especially in Europe, where the condition of the nations after the war promoted the use of substitutes of many lines. Then, too, the wide fluctuation in the staple textile lines promoted the use of materials whose price was less subject to these sudden changes, and rayon filled the bill.

Four different processes have been developed for the manufacture of artificial silk. Cellulose in all cases is the base. The leading process, known as the viscose process, obtains the cellulose from wood pulp, and for this purpose, Canadian, Scandinavian and Maine spruces are particularly adaptable. The other processes use cotton as a base, in the form of linters. The United States leads in the output of this product, Great Britain, Germany and Italy follow in the order named.

Demand Still Exceeds Supply

Despite the large extensions which have been made in Europe in productive capacity, demand shows no indications of lessening. Even in Southern France, the home of natural silk, demand for the new product has continued to expand, and industries have sprung up with remarkable speed. In England, too, the product has been in great demand on the part of the woollen, cotton, silk and knit goods manufacturers. Established rayon mills have been pressed to capacity and new plants are being added. The largest British producer has established a mill in Cornwall, Ontario, to take advantage of the abundant wood supply of the Dominion. Canada, in the past, has been importing artificial silk at the rate of 1,600,000 pounds per year. It is stated that the existing plants will shortly overtake the domestic demand as well as entering the foreign field. There seems to be no good reason why the production of artificial silk should not become an industry of very great importance here. It is to be hoped that Canada may take full advantage of at least one of her own natural resources.

Price Relatively Stable

As previously intimated, one of the leading advantages of the new product is its relative price stability. Many manufacturers who have suffered from the daily fluctuations in cotton, wool and silk, have welcomed the efforts of rayon producers to make the price fairly stable. While the prices of other leading textiles now vary from 70 per cent. to 290 per cent. above the pre-war price, according to the National Branch of Commerce of New York, one of the leading grades of artificial silk has returned practically to the pre-war price, and has remained fixed. Since rayon is a chemical and mechanical product, rather than agricultural, supply can be adjusted to requirements with a fair degree of promptness. The situation is very much otherwise in the case of natural silk. Results of a change are long in affecting the large number of small farmers engaged in its production. The bulk of the world's artificial silk is produced by a small group of manufacturers who maintain research laboratories and alert sales forces equipped very quickly to sense the industrial developments affecting their product. Output may be very quickly reduced or speeded up according to requirements.

A very marked realignment of position in foreign trade of the artificial silk producing countries has taken place since the war. France and Switzerland both exported more than they imported in 1913 but now have a heavy import balance. Italy, Germany and the Netherlands meanwhile have come forward as heavy exporters. The change which has taken place is shown in the table below.

The silk provision of the recent Churchill budget in Great Britain is of interest in this connection. Lancaster is reported to be up in arms against the artificial silk duty. The cotton trade is objecting since they have been diluting their cotton with artificial silk to produce new yarns and fabrics. Increasing quantities of rayon are being used for this purpose in all countries.

Cotton textile manufacturers in Canada are watching the development of the artificial silk or rayon industry, to determine its possible effect in their business. The cheapness of rayon, as compared with natural silk, puts it in the class of inexpensive yarns and fabrics. Women now buy artificial silk fabrics in preference even to cotton, in many cases. The Canadian forest is fighting Southern cotton fields for the honor of clothing men and women.

The Location of the Plants

The Invested Capital in the Pulp and Paper Field

The pulp and paper industry plays a large portion of the score in the symphony of Canada's trade, yet this big showing is made by but 115 mills which are engaged in the industry. Of this total, 46 are entirely employed in the making of pulp, 35 in the making of paper and 34 mills produce both commodities. These mills are located in the various provinces as follows:

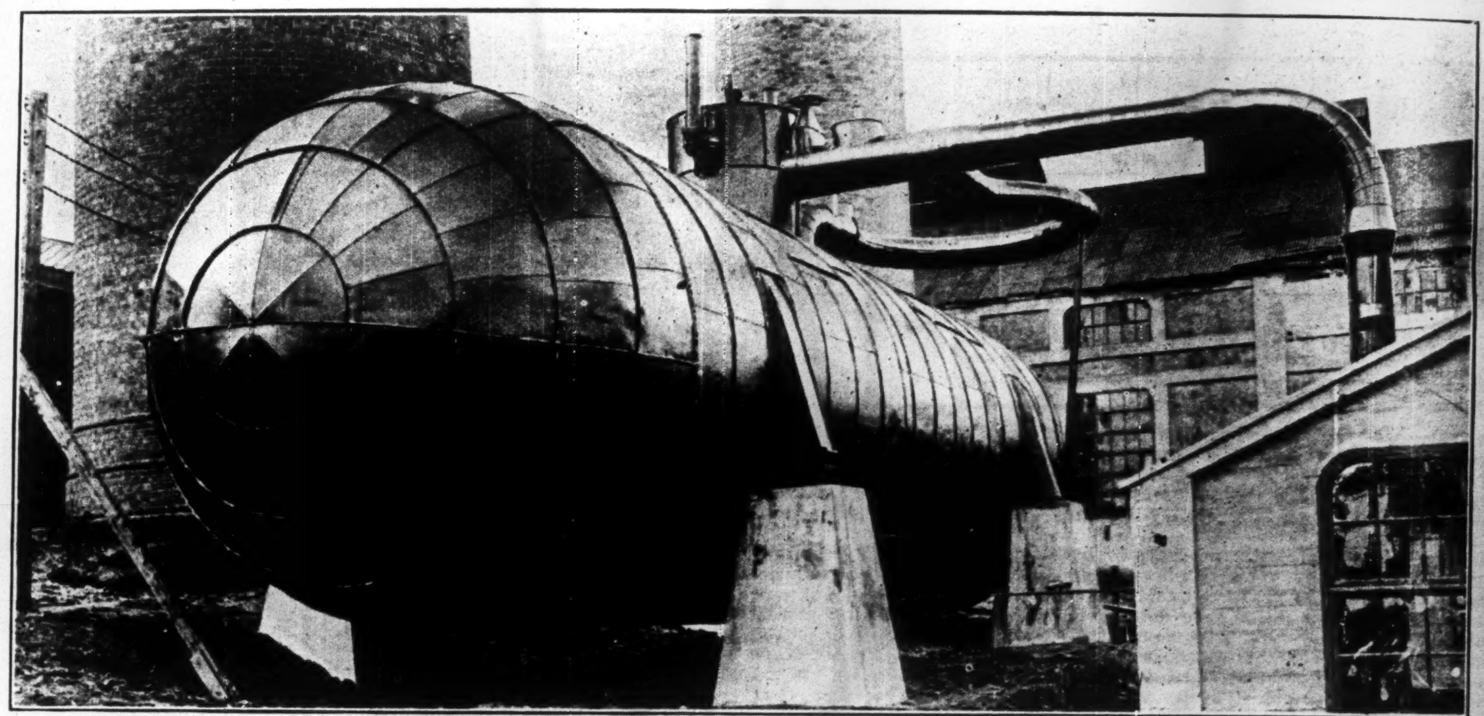
	Pulp-mills	Pulp and Paper Mills	Paper Mills	Total
Nova Scotia	9	..	..	9
New Brunswick	4	1	..	5
Quebec	19	15	15	49
Ontario	12	16	18	46
B. C.	2	2	2	6
	46	34	35	115

The total capital invested in the industry stands at $459,457,696. This figure, according to the Dominion Bureau of Statistics, is divided amongst the provinces as follows:

Nova Scotia	$ 9,440,339
New Brunswick	21,127,611
Quebec	220,709,994
Ontario	167,068,282
B. C.	41,111,470
Total	$459,457,696

The industry employs a total of 27,627 persons who annually receive $37,649,488 in wages.

Ruths Steam Accumulator



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MONTREAL WINNIPEG VANCOUVER

Nashwaak Company

Improved Quality of Plant's Products Has Resulted in Wider Pulp Markets

In 1922, the Nashwaak Pulp and Paper Company decided to increase the size of its mill at Saint John and also to make the necessary plant installations to improve the quality of its production. At that time, the output of the mill was about 50 tons per day and, during the last three years, the production has been increased to 80 tons per day. For the past year and a half, the quality of the pulp, which the company has been making, is of the highest grade and compares favorably with the best bleached sulphite pulp which is now being offered in the American market.

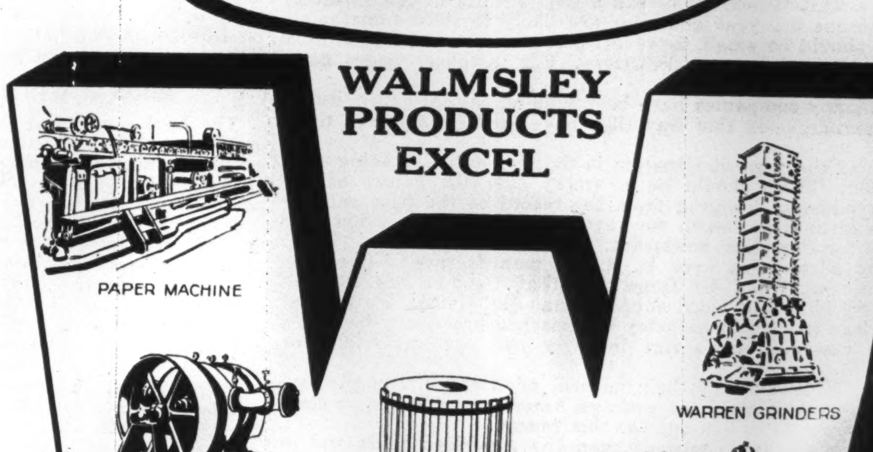
To make possible this increase in the quantity, and to improve the quality of the sulphite pulp, the company made large expenditures, among which was the installation of a special acid system, which utilizes lime rock rather than refined lime. In this the company has made a substantial saving, as it is situated in the middle of a lime rock section and the raw material for the production of the acid which is used in making the pulp is abundant.

The company has made many additions and extensions to its plant and, in addition, it has found it necessary to increase the capacity of its shipping facilities by the installation of sidings and a complete system of conveyors for unloading and storing the pulpwood, which is received from rail points and supplements the production of timber from its own land situated on the Nashwaak River.

At the present time, the output of the mill is being sold and the plant has been running 100 per cent. capacity for the last fourteen months, 85 per cent. of the plant's production being sold up to January 1, 1926. The last two years of operation have been the best which the company has experienced since the war and conditions are constantly improving.

It is situated at Fairville, New Brunswick, and its output consists entirely of sulphite pulp. The improved situation in which the company finds itself has no doubt been due to the improved quality of the product, which has helped greatly in the selling.

Charles Walmsley & Co.
(CANADA) LIMITED



OFFICE MONTREAL

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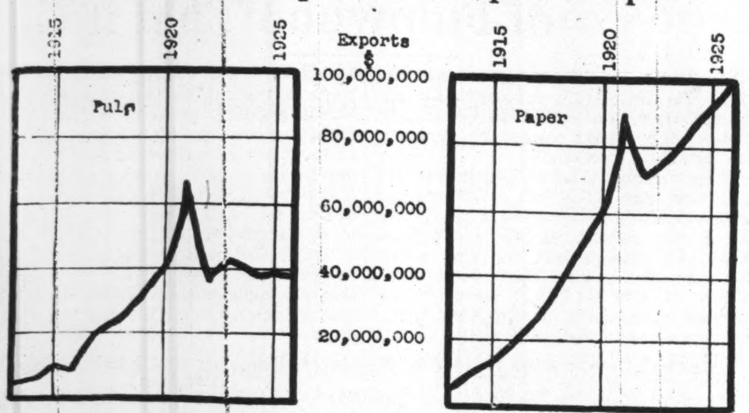
Canadian Pulp and Paper Exports



The Export Trend of Pulp and Paper From Canada

Although Newsprint Markets Narrow, Exports From Here Increase — Many Economic Attractions

TEN years ago this country could not meet its own demand for newsprint. In 1914, 7,017,897 pounds of printing paper were imported for use by the newspapers. There were also imported 12,348,860 pounds of other printing paper. By 1918 there was not a pound of paper imported for use by the newspapers and the imports of other kinds of paper had fallen over 5,000,000 pounds. The fact was that the supply of cheap paper was shut off during the war and the Canadian industry was in reality forced to go ahead, as its trade was assured.

But, of course, the most remarkable thing about the growth of the trade is not the way in which it has been built up to supply the home demand but the way in which it has branched out into other countries especially the United States. It was not until the year 1908 that printing paper was mentioned in the Canadian trade returns and it was as recently as 1917 that newsprint was mentioned specially. Eleven years ago the United States was importing only 500,000 hundredweights of Canadian newsprint each month. During last December the amount exported to the United States totalled 2,316,000 hundredweights, in other words, a five-fold increase. It can be seen from other charts and articles in this issue that this pace is going to be kept up

The Economical Trend

An especially encouraging thing about the industry is the outlook for the future. The economical trend of the newsprint and pulp producing is towards this country. The reason for this is twofold. This country has an immense supply of wood suitable for making paper and at the same time the wood reserves of the United States are being seriously eaten into. In the cost of production the Canadian mills have the decided advantage in that they are located comparatively close to their sources of supply. In addition, cheap and vast quantities of power await development—these power sites are all adjacent to the timber supply. Then again, the United States market is growing and is bound to do so as the population increases. Indeed, it will grow faster than the increase in population, for our low cost production will force many United States mills out of business, and, as this occurs, the centre of the industry will move northward. This applies to the newsprint and pulp industry as a whole with the exception, possibly, of kraft pulp. With this product the tendency seems to be either to produce the pulp in Canada or to produce it in the Southern States, where there is a particular kind of wood for this type of product.

Export Market Narrowed

There is one interesting feature in the extent to which the export market for newsprint has been narrowed to the United States during the last few years. Ten years ago countries other than that republic were much more important factors in this trade than they are to-day. In 1914 countries other than the United States took $1,902,970 of newsprint, or a little over 16 per cent. of the United States requirements. During 1924, though, the United States took 97 per cent. of the total value of our newsprint exports.

There have been several causes which have made the United States our only customer—or practically our only customer—for newsprint.

Possibly the principal cause was the war, which prevented the newsprint companies obtaining the required tonnage to ship paper—especially was this so in the case of Australia. By reason, too, of the newness of this industry in this country, the mills are designed and equipped to turn the wood into paper at the lowest possible cost; this has been an additional factor which has enabled us to compete with the American mills.

Canadian Paper Markets Widen

While for the month of December last, Canada sold newsprint to only eight countries, two of which between them only took $4,000 worth, the market for other types of paper, including cardboard, is expanding. During the past year nearly fifty countries bought paper from Canada. During the month of December the exports of wrapping paper at $327,726 were some $140,000 greater than those for the corresponding month in the preceding year. Twelve years ago only $100,000 worth of wrapping paper was sold to other countries, as compared with $2,259,991 last year; so that it will be seen, too, that sulphate*kraft paper markets are expanding.

At Two Extremes, B.C. and N.S.; How the Industry Fares There

A Resume of the Possible Pulp and Paper Developments on Our Atlantic and Pacific Seaboards — Their Future

THE announcement that Frank J. D. Barnjum is to build a paper mill in the province of Nova Scotia ensures that this pioneer province intends to keep step with the rest of Canada in the matter of paper making.

The province has never succeeded in developing a paper manufacturing industry, nor has any success followed efforts in the past to establish plants for the manufacture of chemical pulp. With the exception of a comparatively small amount of sulphate which is the product of one mill only, at the present time, all the pulpwood that is cut in Nova Scotia is either manufactured into groundwood pulp, chiefly for export, or exported to the United States.

There is more pulpwood exported from Nova Scotia than there is used in the mills of that province. For instance, in 1924, 39,000 cords were used in the pulp mills, whereas almost 49,000 cords were exported.

In brief, then, Nova Scotia makes practically only groundwood pulp, and, in making this groundwood, it uses considerably less pulpwood than the amount of pulpwood exported. What is the possibility then of establishing mills there which will use up more of its own production of wood?

While the province has not the abundant water powers as are to be found elsewhere in this country, nevertheless, there are a considerable number of undeveloped sites which could be put to use if conditions in other respects warrant the developments for pulp manufacture.

Big Blocks of Timber

One of the underlying reasons why Nova Scotia is backward in the manufacture of pulp is the difficulty of securing in a sufficiently consolidated area adequate reserves of timber to justify the installation of large mills. The province has been settled longer than other parts of Canada and practically all its timberlands have been alienated from the crown and are in private hands. Those areas which are not privately owned, are leased by the crown to individuals who have permission to export pulpwood without doing more than cutting it.

Judging from the report of the royal commission on pulpwood, it would appear that any company going into large scale production in that province might have considerable difficulty in obtaining a sufficient area of timberlands at reasonable prices.

Nevertheless the commission did not come to the conclusion that the timber lands in Nova Scotia were incapable of development; in fact the reverse is true, for the province is favorably situated from a shipping standpoint and in its close proximity to foreign markets without the necessity of rail haul should be in a position to obtain markets for its product. It has a large percentage of potential forest land at its disposal.

Forest Protection First

Like the rest of Canada, the province must pay more attention to fire, insects and decay. These enemies added to consumption have effected constant depletion of the forest there, and because there is no control of annual growth, there is nothing to be added to the right side of the forest ledger. Although the province has scattered timberlands, yet with the area availab'~ for growing timber. Nova Scotia should be able to support this and other forms of forest industry. The depletion of the forests of Nova Scotia has resulted from losses following the failure to adequately protect and handle the forests on the basis which would take full advantage of the growth that is possible there, and in this is a warning to the other provinces.

What about ne~v mills? Some companies which own timberlands in Nova Scotia declare that that province will not support further development of the industry there. It is felt by some property holders in Nova Scotia that it would not be economically possible to construct a sulphite nor a sulphate mill in the northern portions of the province. It may mean that sulphite producers there would have a hard time competing with the competition as it is at present, but there seems to be no evidence which proves that a newsprint mill in Nova Scotia is uneconomic. Anyway, Frank J. D. Barnjum says he is going ahead with his mill, and as Nova Scotia is a large producer of pulpwood and a high proportion of this pulpwood is exported without being manufactured into pulp, it seems that there is no reason why the project should not be successful.

Must Guard Forests

However, the whole thing simply boils down to this: If Nova Scotia is going to have a pulp and paper industry there, she must put into force at once a better forestry programme to insure the future of the industry in that province. And now on to British Columbia.

British Columbia is believed to be the only province in Canada where the rate of depletion of the forest is not greater than the annual growth, under present conditions. This might indicate the belief that this province will eventually assume a more important position in the pulp and paper manufacture than it now holds. There is no doubt that the annual cut of timber in British Columbia could be increased several fold, if the annual losses from fire, etc., could be avoided.

The industry is new to this province. Pulp has been made longer than paper, which has a record of only eight years on the coast. What first attracted the industry was undoubtedly the large supplies of cheap raw material available; just as in the United States saw mills and paper mills were established on the Pacific Coast, when the forests in the East began to be depleted. Since the inception of the industry on the coast, B. C. has shown a steady development, as this table indicates:

	Pulp tons	Paper tons
1913	61,354	......
1914	56,352	......
1915	65,823	......
1916	78.655	......
1917	111,875	79,004
1918	173,161	122,516
1919	194,126	135,310
1920	218,482	147,289
1921	165,053	98,001
1922	198,426	130,600
1923	217,712	155,373
1924	212,318	150.460

In addition to this substantial production of pulp and paper, British Columbia is the leading producer of saw timber in Canada.

Not a Big Exporter

British Columbia exports but little pulpwood, although the provincial legislation is such as to make the obtaining of a permit for such exportation comparatively easy. But there are few "pulpwood" farmers in British Columbia. The distances are great; the logs are large, and the forest areas not widely opened up for settlement. British Columbia's problem is not then one of preventing export of wood pulpwood; exports are not likely to increase largely under present circumstances, but rather one of making the most effective use of the timber that is cut, and of protecting the forests from losses due to fire and fungi.

It is not to be forgotten that British Columbia's distance from most of her markets has made necessary the local manufacture of raw materials. Although she is now successfully competing in world markets, British Columbia is rather isolated, topographically, from the rest of the Dominion. The Rocky Mountain system offers a barrier to transportation by rail which can be surmounted only by the payment of expensive rail charges. Looking in other directions, and with the exception of neighboring states, the province is separated from the rest of the world by the Pacific. On both sides she is confronted with transportation charges upon her products which have in some manner to be overcome. Had these transportation difficulties not existed, however, there is at least some doubt that industries would have been developed to the degree in which they now exist; the very isolation of British Columbia resources—if they were to be brought under exploitation—necessitated the influx of capital, in order that the handicap of excessive transportation charges might be reduced to the lowest possible minimum, namely, by the local manufacture of raw materials.

The one thing which has served to attract the very necessary capital has been the abundance and general high quality of British Columbia timber; a coniferous forest, equalled nowhere in the world except in the adjoining states, offered the incentive to outside capital, and by large-scale production of high-class products, the handicaps of distance have in a measure been overcome.

Must Protect Her Forests

With such reserves, British Columbia is hardly likely to take action to curtail cutting of timber, pulpwood, and in other kinds of timber. The tendency is more likely to be in the direction of development toward increased use, but along lines and under methods which will insure perpetuation of the stand. The maintenance of advantage which the province enjoys in quantity, quality, and growth of timber—so essential to the overcoming of other disadvantages with which the industry is beset—demands the more careful and more complete use of timber which is harvested, and the protection of it, and of the young timber stands, from fire.

MORE N. S. LOBSTERS

Halifax, N. S.—Nova Scotia's lobster pack this year is expected to be larger than last year. This is true of New Brunswick and Prince Edward Island also. The aggregate catch of the three Atlantic provinces will be about 140,000 cases, which is a normal pack. Shipments will be made to Great Britain, France, Sweden, United States and interprovincially.

Brown Corporation

(A Canadian Corporation)

THE holdings of this corporation comprise a pulp-making plant with a daily capacity of 220 tons of sulphate pulp, a lumber mill, and chemical works for utilization of all waste, representing a cash investment of $13,000,000.00.

Water-power (developed and undeveloped) .... 140,000 h.p.

The corporation's timber lands comprise approximately:

1,000,000 *acres in fee simple.*
2,000,000 *acres in timber leases.*
160,000 *acres in stumpage.*

With an estimated total of 12,000,000 cords of pulpwood *the corporation has practically an unlimited supply of raw material.*

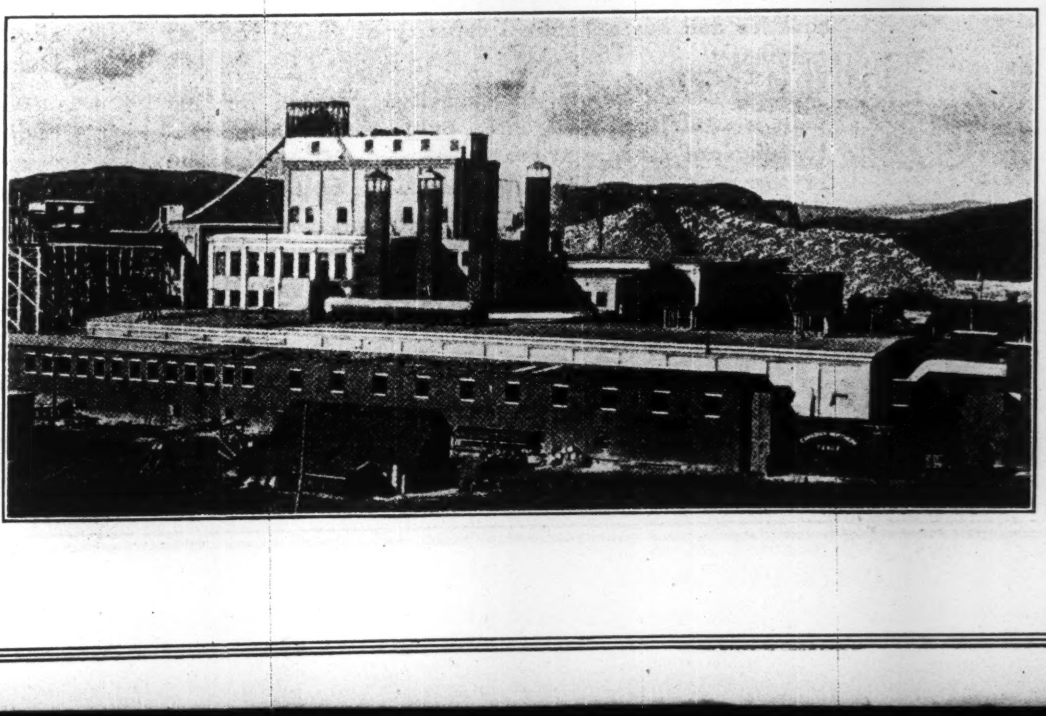
The Brown Corporation markets most of its tonnage to the parent company, Brown Company, Portland, Maine, the largest manufacturer of bleached sulphite and Kraft paper in the United States.

Capital

7% First Preferred - - - - -	$2,000,000
Common - - - - - -	9,000,000
Bonded Indebtedness - - - - -	1,100,000

Principal Offices: **71 St. Peter Street Quebec, P.Q.**

Mills at **La Tuque, P.Q.**



THINKS OIL PAINTS NOT TO BE OUSTED BY NEW LACQUERS

President Ottawa Paint Works Replies to Those Seeing Revolution

An article on the development of lacquer varnishes and their effect on the paint and varnish industry, that appeared in The Financial Post of August 14, has elicited a letter from Charles Hickman, president, the Ottawa Paint Works. Mr. Hickman's letter is published below.

It might be pointed out that The Post's article was not published to throw a scare into the minds of investors in the paint stocks, and The Post does not feel that the article was such as to do that. In some of its quotations from the article, Mr. Hickman's letter puts things more strongly than did The Post.

The article aimed merely to call attention to a development in the industry in which investors must feel a vital interest. The investor's viewpoint is an important one in any such development, and in the present development there is ample room for discussion as to whether cellulose varnishes are likely to bring about great changes in the paint and varnish industry, and as to whether they are not likely to enlarge the field for the paint companies, and, hence, investment opportunities.

Investors in paint securities should watch the development, not necessarily with apprehension, but to judge of its bearing upon their holdings. The Financial Post's interest in the discussion is only that of the investment community and for that reason it is glad to be able to publish the views of such a leader in the industry as Mr. Hickman.

* * *

An article appeared in your paper of August 14, under the heading, "Revolution in Paint Industry."

I perused this article, with great care and after doing so, am forced to conclude that it must have been inspired by some one who is not thoroughly conversant with the true situation, with regard to the Pyroxylin lacquer replacing entirely the present type of paints and varnishes. The article is malicious, erroneous and misleading. If the person who inspired it had deliberately set out with the intention of hammering down the stocks and financial prestige of one of the most thriving industries on this continent, it would have been hard for him to have hit on a better method of doing it.

It does not seem possible the article was inspired by your own staff, because as I understand it, you do not lay claim to be a technical publication and consequently, must have been inspired or quoted by some one who is directly concerned with the paint and varnish industry, or with the special manufacture of Pyroxylin lacquers. It is regrettable, if this is so, because, "it is an evil bird that fouls his own nest."

It must be born in mind that there are two sides to every question and a question of such gigantic nature should not be dealt with hap-hazardly, nor yet should it be dealt with, unless both sides of the question are displayed so that the general public and those who are vitally interested may choose and decide intelligently.

Reams of paper might be used on this subject, both in argument of your statements which have appeared in your paper and also arguments in rebuttal of some and, I would venture to say, without fear of contradiction, that 99 per cent. of the technical men in the paint and varnish industry in the United States and Canada, would take the same stand that I do, myself, namely that Pyroxylin lacquers are only in their infancy, and are, at the present time, only usable for certain specific purpose, which would only amount to a small fraction, in the replacement of the old types of paints and varnishes.

You state that Pyroxylin lacquers do not require the same mixing, milling and grinding, such as the old types of paints and varnishes. That is erroneous. Pyroxylin lacquers, without coloring matter or pigment, are useless for outside exposure and it goes without saying that if coloring matter, of any type be added to the Pyroxylin lacquer, that it must, necessarily, be mixed and properly milled.

It is quite true that the mixing and milling of lacquers requires somewhat different type of machine than would be required in manufacturing the old type of paints and varnishes, but it is also true, that much of the old type paints and varnishes are now being made with identically the same type of machinery that is being used for Pyroxylin lacquer.

You, also, state that millions of dollars of capital will be required to rehabilitate and provide new plant for this purpose, and the same time indicating that all present plant will become obsolete. This is what Dr. D. B. Keyes, director of research, United States Industrial Alcohol Co., who is considered an authority on this subject, has to say; article appeared in New York Evening Post, May 9th:

"Broadly speaking, the lacquer is not a lacquer, but a cross between a varnish and a lacquer, and all the paint and varnish manufacturers of to-day will be able to use their equipment and their sales should increase rather than diminish because of the new product

"It will be some time before the car owner can apply lacquer to his own car, for most lacquers must be applied with a spray gun and not with a brush, and the equipment would be too costly for him to purchase or even rent.

"This does not mean that we will not have a brush lacquer that can be applied by the car owner, but I see no immediate chance of developing such a product."

Now, nothing has been said with regard to provision of all basic raw material, which is used in the manufacture of this new product. It is commonly known that certain solvents are absolutely essential for the successful manufacturing and application of Pyroxylin lacquer. Without these solvents, the entire scheme is a total failure. Many of these solvents are by-products of other alcohols and solvents and are only obtainable in certain quantities. Once, these quantities are exceeded, another problem arises and that is the disposal or disposition of the product of which they are by-products.

So much for the solvents. Now what about the more vital basic essential which is used and only by and through which Pyroxylin lacquers can be made, namely, cotton? Have you given any thought to the enormous quantity of cotton that would be required if the present known types of paints and varnishes, used throughout the world, are to be replaced with Pyroxylin lacquer? I have no figures or precedent to guide me, but I think it is quite clear to the average paint and varnish chemist or manufacturer that if the old type of paints and varnishes were replaced by this new product, the present world's supply of cotton would have to be multiplied fifty times and that very quickly.

I ask the question and in so far as I can see the present situation, answer it emphatically "NO."

Certainly it could not be done in time to create the tremendous upheaval, which you have phophesied and which is to take place in the near future. This is what Glen H. Pickard, in one of his 28 articles which have appeared in the American Paint Journal, St. Louis, has to say. Mr. Pickard must surely be considered an authority, otherwise, he would not be engaged by this very important journal, for this special work. He quotes as follows in his 28th series of articles on lacquers:

"Brushing is very little used, practically only for small articles which cannot well be otherwise coated. The reasons are that it is very hard to get a lacquer which will not show laps when brushed over any considerable areas. This is, of course, due to the extremely rapid setting of the ordinary lacquer. There is no doubt that lacquers could be designed that would permit of brushing under certain limited conditions, but they would be comparatively expensive because of the predominance of high boiling liquids in the solvent and non-solvent portions of the lacquer that would be required to slow up the evaporation so that ordinary brushing methods could be employed. However, the real reason that the application of lacquers by the brush will, in all probability, never become generally used is that coats of lacquer cannot be superimposed by brushing one upon the other or upon films of other coatings because the solvents employed dissolve the underlying coats and the brush removes them from the surface, causing an unsightly appearance of the whole job. It is obvious that even though some of the other objections were removed, this one is fundamental because no chemical change takes place in the lacquer during drying, which renders the film insoluble in the liquids of the coat next to be applied."

And in his 24th series, he also quoted as follows:

"The technique of manufacture and application of both these methods has been pretty firmly established for 20 years or more, but the lacquer-consuming industries grew faster than the production of lacquer raw materials so that within the past 18 months a critical situation developed by reason of an insufficient supply of high boiling solvents, such as amyl and butyl acetates, fusel oil, etc.

"At this point another and undesirable feature of lacquers made with the customary high boiling solvents should be noted; that is, the odor. As a group, the high boiling solvents are characterized by their persistent and choking odor, and when incorporated in lacquers, any article so finished, whether wood, metal or cloth, carries for weeks and even months the smell of the high boiling solvents."

We are living in an age where it would almost appear that there is nothing impossible, but up to the present time, there is no information in the hands of the highly technical paint and varnish chemist which would permit him to state emphatically that Pyroxylin lacquers are ready to replace the old-time paint and varnish, and even if they are replaced, it will be by a gradual process and elimination and not by any fly-by-night, hare-brained scheme or suggestion. I believe it is time enough to bid the devil, good-day, when you meet him.

Speaking for our own company, I can assure the general public that we shall not be the last to say, "How do."

As you have particularly mentioned that Pyroxylin lacquers are going to take the place of lead and oil paints, permit me to point out, for your information, that many products have been offered to the manufacturer and the public, during the past 25 years, to replace white lead and to-day the output of carbonate of lead, such as is used in the manufacture of paints, is greater to-day than it ever has been in the world's history. Each and everyone of the substitutes offered to replace carbonate of lead have merit and are all being used in various ways in the paint and varnish industry, but strange to say, none of them have yet shown sufficient merit, and even if they have, it has not been found possible to force carbonate of lead off the market.

Will you be kind enough to give this publication in your next issue of The Financial Post?

Yours very truly,
CHARLES HICKMAN,
President, Ottawa Paint Works, Ltd.
Director Canadian Paint, Oil and Varnish Association.

P.S.—We are also enclosing copy of letter which I have received from John Irwin, president of Canadian Paint, Oil and Varnish Asociation, on the same subject.

* * *

Mr. Charles Hickman,
Ottawa Paint Works, Ltd.,
Ottawa, Ont.
Dear Charlie:—

One would think after reading such articles as that which recently appeared in The Financial Post that the use of lacquer was a new discovery calculated to render obsolete all present day paint making machinery. Such write-ups are the effusions of reporters who hear for the first time of the existence of cellulose lacquers. As we know, the use of these materials has grown to considerable proportions and they are replacing varnish lacquers and varnishes for special purposes. To attempt to widen the sphere of the usefulness of cellulose lacquers beyond the boundary where they cease to be superior or as good as oil paints, is to bring them into disrepute and to tarnish the reputation they are building up for themselves in their legitimate application.

In a few years' time we shall probably all be making cellulose lacquers. There is nothing mysterious in their composition. Formulae upon which they may be constructed are available to everyone. It is safe, however, to say that when the time comes and all of us are engaged in the manufacture of these lacquers, the machinery which is making paint according to the present understanding of it will also be as busily employed as it is now, and that a hundred years hence, linseed oil will still be the chief ingredient for all paint made for outside use.

These are my views. To give the reason for everything I say would make a very lengthy letter, but I believe that every manufacturer thinks as I do, and for practically the same reasons.

(Signed) J. IRWIN.
President, Canadian Paint, Oil and Varnish Association.

Canada Exports About 28% of Pulpwood That it Cuts

The Dominion Bureau of Statistics make the following comment on the production of pulpwood in Canada in 1924 in the report issued by the forests products branch:

"The apparent total production of pulpwood was 4,647,201 cords, valued at $57,777,640, as compared to 4,654,663 cords valued at $57,119,596 in 1923. Of this total in 1924 about 71.4 per cent., or 3,316,951 cords, valued at $44,241,582, were manufactured into pulp in Canada, while the remaining 28.6 per cent., or 1,330,250 cords, valued at $13,536,058, were exported to the United States. These figures show a decrease from 29.7 per cent. to 28.6 per cent. in the proportion of pulpwood exported. Domestic consumption has increased by 1.4 per cent., while exportation has decreased by 3.9 per cent. No pulpwood is imported into Canada."

The following tabulations are based upon the report prepared by the Department of Trade and Commerce, Dominion Bureau of Statistics:

Pulpwood Consumption in 1924 by Provinces, Processes and Kinds of Wood

Kinds of Wood by Provinces	Quantity Cords	Processes: Mechanical Cords	Sulphite Cords	Sulphate Cords
Grand Total	3,316,951	1,448,409	1,520,319	348,223
By Provinces:				
Nova Scotia	39,080	39,080	.....	.....
New Brunswick	229,433	20,089	176,553	32,791
Quebec	1,525,808	682,072	563,358	280,378
Ontario	1,256,589	613,986	628,521	14,082
British Columbia	266,041	93,182	151,887	20,972
By Kinds				
Spruce	2,284,230	1,051,895	1,007,171	225,164
Balsam fir	798,400	376,002	397,737	24,661
Hemlock	120,786	9,996	108,704	2,086
Poplar	2,770	93	.....	2,677
Jack pine	90,473	8,923	6,707	74,843
All other	20,292	1,500	.....	18,792

*Soda included with Sulphate.

The Composition of Paper

EACH grade of paper is made from a combination of various types of pulp. It will be of interest to trace out what the composition of the various types of paper is. No hard and fast rule can be laid down though, for the blending of pulps to make paper, as pulps from the same mill often vary, and a definite grade is often the result of experimentation.

Book Paper

This may be said to be made on an average from about 40 per cent. soda and 35 per cent. sulphite pulp. Old book paper, rags, and limited quantities of other material supply the remaining 25 per cent. Of a total of around 725,000 tons in 1923, Canada supplied about 31 per cent. of the American pulp requirements. The largest factor in the American imports, totalling 27 per cent., and that which is growing most rapidly, is pulp, almost all sulphite. More than half of this is from Canada.

Wrapping Paper

Wrapping paper averages in its composition about 40 per cent. of sulphate pulp, 25 per cent. of sulphite, 17 per cent. of mechanical and 9 per cent. of manilla stock and the remainder of other material.

As in book paper, the material for wrapping is mostly imported as pulp into the United States. A total of about 27 per cent. of that country's requirements comes in about equal amounts from Canada and the continent.

Boards

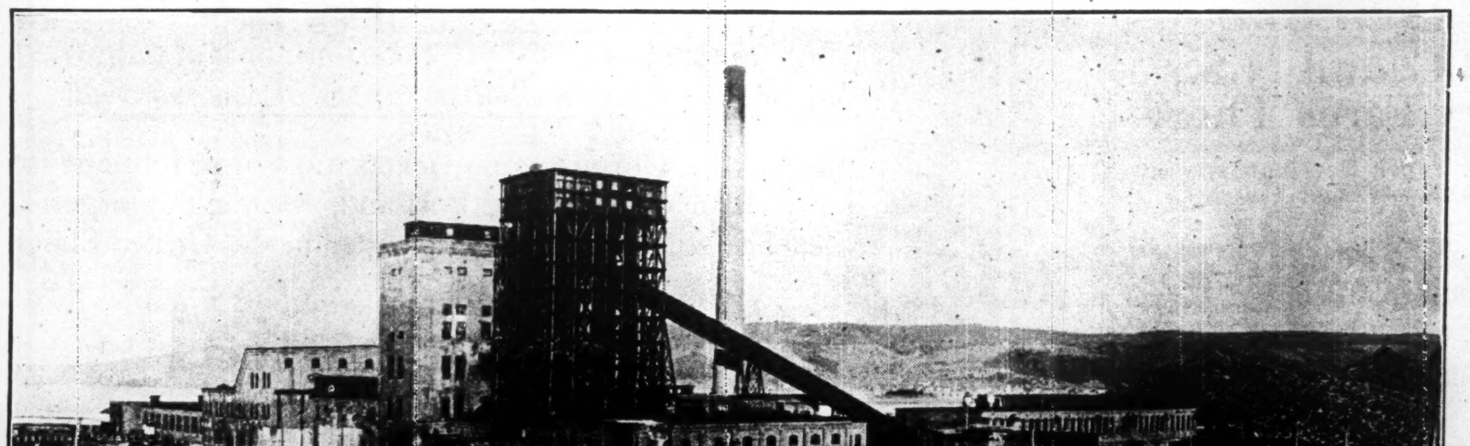
Some 80 per cent. of the contents of cardboard comes from all sorts of waste paper and straw. The 20 per cent. of new pulp which normally goes into the manufacture consists of sulphite, sulphate and mechanical pulp, each to the extent of about one-third of this 20 per cent. Twenty-six per cent. of the American requirements for cardboard are imported from Canada.

Newsprint Paper

Eighty and twenty per cent. represent the average contribution of mechanical and sulphite pulps to newsprint paper. The United States supplies itself with only 34 per cent. of its newsprint requirements.

Other Kinds of Paper

For the making of other kinds of paper the manufacturer experiments until he finds the most suitable combination of the various forms of pulp for the type of paper which he wishes to produce.



Panoramic View Port Alfred, P.Q. including present Mill, Port Alfred Pulp and Paper Corporation.

Port Alfred Pulp and Paper Corporation is one of Canada's largest producers of sulphite pulp. Its mill at Port Alfred, P.Q., on the Saguenay River, has been constructed and equipped according to the best modern practice and has an annual capacity of 48,000 tons of pulp.

Plant is operating to capacity. Market for its pulp is established. Its entire pulp production for the remainder of the current year is contracted for with some of the most important paper producers in the United States and Canada at favorable prices.

The Company's affairs are now under the experienced executive direction of Mr. George M. McKee. It has recently added 1,500 square miles of leasehold limits to its already large timber holdings. Adequate power on advantageous terms has been contracted for from the Duke-Price Power Company, Ltd.

Construction is already under way to add to the plant two news-print machines and necessary groundwood equipment. Completion of present plans will give the plant a rated annual production for sale of 75,000 tons newsprint paper, and 48,000 tons Sulphite Pulp.

Port Alfred Pulp and Paper Corporation

Head Office, Insurance Exchange Building, Montreal.
Mills, Port Alfred, P.Q.

Water Power is as Important in Industry as Are Forests

Pulp and Paper Industry Uses Over 20 Per Cent. of Canada's Hydro Power — Can Obtain Power Cheaply Due to Nature of the Load

THE importance of the pulp and paper industry in our national life may be judged from the fact that, at the end of 1924, the capital invested in the industry amounted to $459,457,695, a figure which is only exceeded by the investment in steam railways and central electric stations. The total value of the exports of the industry during 1924 amounted to approximately $150,000,000, a figure which was only exceeded by the exports of agricultural produce. The industry maintains a staff of over 27,000 persons (excluding altogether those men employed in the woods) and the salaries and wages of these men employed in the industry for the year 1924 totalled $38,000,000. The value of the products for last year totalled $187,000,000 approximately.

There is one other industry which is closely linked up with the production of pulp and paper. It is the hydro-electric industry. In fact, 23 per cent. of the hydro energy produced in Canada is absorbed in the pulp and paper mills. As it takes practically 100 horsepower to make one ton of paper per day, the indispensability of an abundant supply of low-priced power at once becomes apparent. In any industry, the relative necessity of obtaining cheap and adequate power may be gauged by the amount required per dollar value of the products and, with the possible exception of certain electro chemical and metallurgical processes, the requirements for the manufacture of pulp and paper rank among the highest. It is, therefore, little surprising that over 90 per cent. of the motive power in this industry is derived from the energy of abundant and advantageously located waterfalls.

How the Power is Used

It might be of interest to ascertain just how this 100 horsepower per ton of wood per day is spread over the manufacturing of pulpwood into paper. One well-known Canadian mill uses on an average about 73 horsepower for each ton of mechanical pulp produced, 67 horsepower of which is for the actual grinding alone. The production of sulphite pulp for mixing with groundwood requires between 8 and 9 horsepower per ton of daily output—in some other mills as high as 30 horsepower is used per ton of sulphite pulp produced—while the conversion of the pulp into newsprint requires about 12 horsepower for the same unit of output.

As the mills in this industry usually operate a twenty-four hour day, it will be seen that because of the high load factor—this means no time of peak or off-peak power—the power is secured as a rule at a very low cost. This is due to the fact that the capital expended in hydro-electric development remains constant, whether the plant operates ten hours per day or twenty-four. Because the companies can obtain such a low rate for power when there is a continuous load, this has resulted in many of them utilizing their off-peak power in the production of steam for pulp cooking, drying, heating and similar uses.

Power Installation

Because of the rapidly increasing importance of the pulp and paper industry in the development of commerce and the settlement of the country and the part which this industry plays in the water power resources of the Dominion, the Dominion Water Power Branch of the Department of the Interior, Ottawa, has conducted special studies in this connection and has gathered much information on power installation and requirements of pulp and paper mills operated by water power or by purchased hydro-electric energy. For the sake of brevity, the general term, "pulp and paper mills," has been adopted throughout the review which this government department has made of the pulp and paper industry in connection with water power development. The Water Power Service Branch of the Department of the Interior says that, due to the elasticity of electric power, those mills which in the past have used hydraulic power are rapidly changing over to the use of the former energy. The advantage of this conversion to electricity appears both in the quality of the product, which is improved by the uniform speed attained, and in the fact that under modern methods of transmission it is possible to develop power at one or more sites more or less remote from centres of labor and transportation and to transmit it to points where these commodities are available for mill operation and for providing supplies of raw material and conveying the finished product to the market. The best modern practice of pulp mill construction provides for the development of the mill and power sites as separate projects, that is, the site of the mill is selected from the point of view of operation and transportation, whilst the power station or stations will be placed probably in positions unfavorable to mill construction. The use of steam as a source of power in this industry is limited and in many cases is prompted by special conditions, such as operation in close connection with the manufacture of lumber, when the refuse from the latter may be used as fuel for the boilers. The steam power installation in pulp and paper mills is less than 10 per cent. of the total installation in the Dominion.

New Developments

At the present time there is considerable activity in power development for new pulp mill construction and providing additional power for existing mills. The Duke-Price development at the Grand Discharge on the Saguenay River will have an ultimate capacity of 420,000 horsepower. Much of this supply is destined for the pulp and paper trade and 200,000 horsepower is already under contract by Price Brothers and Company. It is said, too, that the Winnipeg Electric Company is at present negotiating with the Spanish River-McArthur interests for the supply of power to their new 200 ton pulp and paper mill on Lake Winnipeg.

With the rapid depletion of pulpwood supplies in the United States, Canada is being more and more depended upon to supply the demand for paper. With the constantly mounting cost of producing power from fuel, it is apparent that power for the industry must continue to be obtained in ever-growing proportions from water, and Canada is particularly favored in having her water powers widely distributed among her ample forests. As the consumption of pulpwood is rapidly increasing, it is apparent that settlements and water power developments will extend steadily northward. With the growth of population and the necessity of the pulpwood supplies, other uses for the power left available will be found and new developments completed farther north. Pulpwood and water powers are the chief factors in connection with the future expansion of our north country. While true conservation of water power depends upon its fullest development, continuity of supply depends upon the maintenance of suitable forest cover on the watersheds—this again emphasizes the necessity of adequate forest protection in the shape of protection against fire, pests and disease and also protection against improper cutting.

It has been said that it is not the forests which are bringing the pulp and paper industry to Canada, but the abundant supply of power which in most cases is capable of development in close proximity to possible mill sites.

From Wood to Sulphite Pulp; How Product is Manufactured

The Story of Turning the Spruce Into the Material for High Grade Paper — The Actual Plant Processes and Sulphite Markets

THE United States has a tariff on high-grade paper, and, for this reason, Canada cannot sell the better paper in that country. But it supplies the raw material in the form of sulphite pulp or bleached sulphite pulp.

There are three major grades of sulphite pulp. The first is the low-grade sulphite, which is used to a certain extent in the production of newsprint. Easy bleaching sulphite pulp is the pulp in its unbleached state, and it is usually bleached at the paper mill for manufacture into paper. Bleached sulphite pulp is wood pulp at its highest state of manufacture. The next step is the actual turning into paper.

Pulp goes into the United States free, so that, although Canada has no adjacent market for high-grade paper, yet it has a good market for sulphite pulp. The consequence is that many of the high-grade paper companies ship their surplus production to the States.

Bleached sulphite pulp is distinguished by its length and strength of fibre, its purity and its whiteness. While the cost of manufacture is relatively high, its indispensability in high-grade paper-making has set its market value much above that of other wood pulp, and, of course, above newsprint. The development of this branch of Canada's pulp industry is shown in the following figures:

1920	98,924 tons
1921	76,801 tons
1922	146,705 tons
1923	159,873 tons
1924	165,868 tons

The situation with regard to sulphite pulp in the United States is much the same as it is with newsprint. The Canadian product is being used more and more, whereas the American product continues to occupy a continually decreasing proportion of the market. The American chemical pulp mills in 1917 produced 83 per cent. of the total chemical pulp consumption of that country; the proportion of the total tonnage in 1924 fell to 62 per cent., and in the same period Canada's exports of chemical pulp increased 117 per cent.

There seems to be no limit whatever to the amount of paper which the American people can consume. In fifty years the consumption of paper has increased tenfold. The consumption of fine paper, which principally comes from sulphite pulp, has increased four and a half times in the last twenty-five years.

Those who know the market feel that within the next twenty-five years the total consumption of paper in that country will increase two or three times over the present volume. Thus the future market for both bleached and unbleached sulphite wood pulp is assured, and, as lack of wood has definitely arrested the growth of American pulp mills, the prospect for Canadian sulphite mills is bright.

The making of sulphite pulp is decidedly different from the making of groundwood pulp. From the log pile the logs move in a conveyor to a chipping machine, which chips them into little bits of wood about 1¾ inches long. The logs are broken up into these small pieces by means of a chipping machine, which is nothing more than a steel disc with sharp knives radiating from the centre. The logs are fed to this machine, and, as the disc rotates, so the log is sliced up. A belt moves under this machine and, from the belt, pieces which are too large in size are mechanically sorted out. Then the remaining chips, which are of uniform size, are carried into the digestors, in which they are cooked. These digestors are large boiler plate cylinders set vertically.

Something over 50 per cent. of spruce wood is composed of non-fibrous matter, while the remainder is fibrous, in other words, cellulose. It is this cellulose, or fibre, which makes the paper and gives it strength.

It is the digestors which separate the fibre from the other material in the wood. This is accomplished by cooking the spruce chips under steam pressure in an acid which dissolves or separates all the soluble and non-fibrous matter from the cellulose, leaving the pure fibre free.

The preparation of this acid is an important process, and is left in the hands of technical men—the acid is bi-sulphite of lime. It is made right at the plant. Sulphur is burnt in specially designed ovens and is introduced into tall towers filled with limestone. The gas rises and meets water filtering down through the blocks of limestone and the resulting chemical reaction forms this acid, called bi-sulphate of lime.

The digestors are lined with acid-resisting bricks and in modern mills their standard size is 56 feet in height by 17 feet diameter, which produces about 15 tons of sulphite at each cooking. After the wood chips and the acid have entered the digestor, the steam is forced in at high pressure and the cooking of the wood begins. When the wood is finally cooked, a valve is opened in the digestor and the pressure of the steam shoots the contents out. The pulp then goes into a large chamber where it is washed until it is finally free from the acid.

Then the knots are removed and the fine pulp is separated from the coarse pulp. Passing on, the pulp, or, as it is usually called, the "stock," goes to the bleachery. The bleachery consists of a series of tiled tubs, and in these, the pulp is circulated with the bleaching liquid. At this stage the pulp is a white, frothy mass, having the appearance of thick foam.

Sometimes, though, pulp is sold in an unbleached condition, as many of the paper manufacturers prefer to bleach it themselves.

After the pulp has been properly bleached, it goes to the great drying machines, each upward of 200 feet long by 15 feet wide, which convert the pulpy mass coming from the bleachery into dry sheets of pulp of even consistency. These sheets look just exactly what the reader thinks they look like, that is, like very rough soft cardboard, about an inch or so thick. But why describe pulp? Everybody remembers it. Has not everybody been to school? It is the invariable habit of schoolboys to put pieces of paper in their mouths and then chew them up, after that they are hurled at some other ruffian. The pulpy mass, which is received in the face by some youthful opponent, is exactly the same substance as that which is usually referred to as pulp or sulphite pulp.

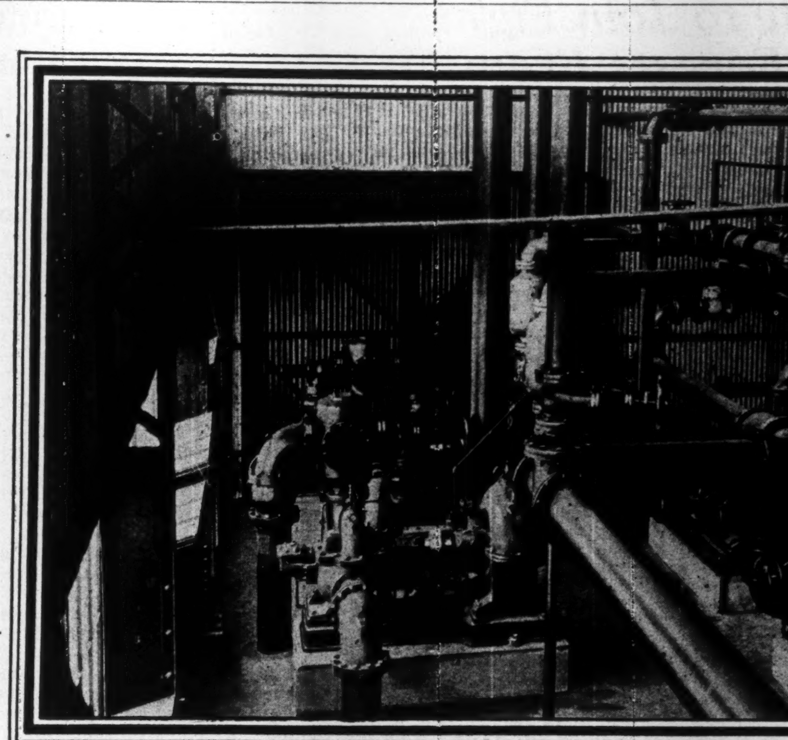
The last process is the drying machine and then the pulp is cut to size and baled or rolled ready for shipment to the world's market.

Improved methods of processing have combined to yield a bleached sulphite pulp from which are being produced finer grades of paper than was formerly thought possible. Not so many years ago, fine papers were exclusively made from rags—since then high-grade sulphite pulp has entered more and more into the manufacture of fine papers and many hundreds of thousands of tons of sulphite paper are produced yearly. The steadily increasing cost of rags on the one hand, and the continued improvement in the paper making quality of sulphite pulp on the other, have widened the market considerably.

Meet to Standardize Succession Duties

Representatives of the finance department of the nine provinces are in session in Winnipeg this week to discuss the matter of duplication in income taxes, with a view to eliminating the overlapping. Under the terms of the British North America Act both the Federal Government and the provincial governments are empowered to raise funds by an inheritance tax or succession duty. The Federal Government has never placed such a statute upon the books, although the matter has been mooted at recent sessions. Each of the nine provinces, however, has used the tax for some years, the older established provinces, since the early nineties, and the tax has proven an effective source of revenue.

Unfortunately, however, a very considerable amount of overlapping exists since some of the provinces, all but one, in fact, levy the tax on an entire estate, both within and without the province of domicile of the decedent. In this way, if an estate is widely distributed, several of the provinces may each attach a succession duty to a part or all of the estate. Since the duty is as high as 35 per cent. in certain cases, duplication becomes a serious matter. A number of the provinces have reciprocal arrangements. The purpose of the present meeting is to promote uniformity in the succession duty acts of the nine provinces. A comprehensive series of articles on the succession duties is now running in The Financial Post.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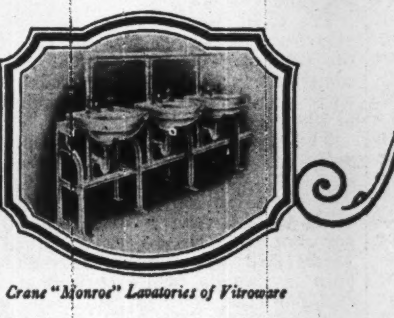
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Calls Fur Trade to Join Fight to Save Forests From Fire

And now to the general appeal to save the forests is added the voice of the furriers. The Fur Trade Review says:

"Without our forests and woodlands we cannot hope to maintain an adequate fur supply. Wild animal life cannot exist without the protection, covering and food provided by wooded country and dense foliage. Only a few of our fur bearers are the inhabitants of the swamp, the plain and the prairie. Our most beautiful and most precious fur bearers are the denizens of the forests. Every time a forest fire breaks out panic descends upon the wild life of the afflicted territory. Animals, birds and even the insects flee before "the red terror," and yet so rapidly does it sweep through the underbrush and tree tops that hundreds of thousands of the less fleet-of-foot animals perish in the flames.

"We have seen our supply of fur bearing animals diminish in numbers as the march of progress and development advanced across the North American continent. We have seen the fur industry grow from the early trading days of the first Dutch settlers to the billion-dollar industry of to-day, and we have seen the American people become the largest users and most appreciative connoisseurs of fine furs.

"Coincidental with this growth has arisen the cry that the fur industry is decimating the natural supply of fur-bearing animals that the demands of fashion are robbing our forests. This is not true. The fur industry is not destructive. It is constructive and has always been so. When shown the need for conservation it was quick to respond to the national movement for the protection of all wild life. No! The falling off in the supply of American fur bearers is due to other causes and one of them is fire.

"The toll of wild animal life taken by the forest fires has had as much to do with the decrease in the fur supply in North America as anything else. Forest and woodlands are the natural habitat of the racoon, opossum, mink, marten, fisher, fox, wolf, rabbit, lynx, wolverine, skunk and weasel. If we burn millions of acres of forest lands each year we cannot avoid destroying untold numbers of the wild animals which inhabit the wooded places. Every forest fire means a further inroad into our supply of fur bearers and an inroad that is complete in its destruction, for it wipes out the young animals as well as the breeders.

"The fur industry must take an active part in the movement. Aside from the fact that it is the duty of every citizen to do so, the fur industry must face the issue and participate in the fight against forest fires as an act of self-preservation. We cannot burn our fur lands and have furs."

Industry During 1924

A Comprehensive Review of Canada's Progress Made During 1924 — 115 Mills Produce 1,700,000 Tons of Paper and 2,460,000 Tons of Pulp, With Total Value of $133,000,000

A preliminary report of the pulp and paper industry in Canada during 1924 has been issued by the Dominion Bureau of Statistics, which presents a comprehensive view of the industry as a whole in a brief form.

The report shows that the total value of pulpwood produced increased 1.2 per cent. during the year. The total value of the pulp produced shows a drop of 8.8 per cent. in value, while the value of the paper produced increased by 4.1 per cent. If the net value of the production for the entire industry be considered as the sum of the values of the pulpwood exported, pulp exported and paper manufactured, then the total for 1924 was $187,174,703 as compared to $188,642,109 for 1923, $158,483,377 for 1922, $154,641,077 for 1921 and $224,414,131 for 1920. The maximum, which was reached in 1920, was followed by a decided decrease in 1921, but the figures for 1922 and 1923 show increases. The small decrease in 1924 is due to a falling off in value in the exportation of raw pulpwood and decreases in the manufacture and exportation of pulp. The manufacture and exportation of paper both show satisfactory increases.

There were 115 mills in operation in Canada in 1924 as compared to 110 in 1923. Of these mills, 46 manufactured pulp only, 34 were combined pulp and paper mills and 35 manufactured paper only. The 80 mills manufacturing pulp produced 2,465,011 tons of this commodity valued at $90,323,972 as compared to 2,475,904 tons valued at $99,073,203 in 1923, representing a decrease of 0.4 per cent. in quantity and 8.8 per cent. in total value. Of this total 1,497,564 tons valued at $44,460,141 were made by combined pulp and paper mills for their own use in the manufacture of paper, 266,975 tons valued at $14,460,176 were manufactured for sale to paper mills in Canada and 700,472 tons valued at $31,403,655 were manufactured for export.

The 69 mills manufacturing paper in 1924 produced 1,718,741 tons of paper, which with certain miscellaneous pulp products, were valued at $133,395,673 as compared to 1,589,303 tons valued at $123,089,609 in 1923, an increase of 8.1 per cent. in quantity and 4.1 per cent. in total value.

Newsprint made up 80.8 per cent. of the paper manufactured in 1924, amounting to 1,388,031 tons valued at $100,276,903 as compared to 1,251,541 tons valued at $93,213,340 in 1923, an increase of 10.9 per cent. in quantity and 7.6 per cent. in total value. Under this heading are included newsprint in rolls, newsprint in sheets for printing, hangings and poster paper. The production of newsprint in the United States during approximately the same period was reported as 1,471,000 tons. Allowing for differences in classification and differences in the periods covered by individual reports this indicates that Canada's production of newsprint has approached to within a hundred thousand tons of that of the United States.

The total value of all materials used in the manufacture of paper in 1924 including pulp made for own use in combined pulp and paper mills was $64,698,062 and the total value of paper and miscellaneous pulp products was $133,395,673.

The exports of wood pulp from Canada during the calendar year 1924 amounted to 781,983 tons valued at $40,242,972 as compared to 875,353 tons valued at $47,927,496 in 1923, a decrease of 10.7 per cent. in quantity and 14.4 per cent in total value. During the same period the imports of wood pulp amounted to only 24,497 tons valued at $1,375,991, an increase over the imports for 1923.

The exports of paper and paper goods during the calendar year 1924 amounted to $99,248,497 as compared to $93,770,957 in 1923, an increase of 5.8 per cent. These exports were made up chiefly of newsprint paper, of which 1,129,385 tons valued at $90,990,711 were exported, mostly to the United States. This represents an increase of 7.2 per cent. in quantity and 6.3 per cent. in value over the 1,137,962 tons valued at $85,611,258 which were exported in 1923. During 1924 the total imports of paper and paper goods amounted to only $9,327,942, an increase over the imports for 1923.

The gross contribution toward our favorable trade balance resulting from the activities of this industry in 1924 amounted to approximately $142,323,594, being made up of the value of pulpwood exported of $13,536,058, the difference in value between pulp exports and imports of $38,866,981 and the difference in value between paper exports and imports of $98,920,555. The total for 1923 was $144,263,336.

The total capital invested in the industry in 1924 was $459,457,696 as compared to $417,611,678 in 1923, an increase of $41,846,018, or over ten per cent.

The total number of employees on salaries and wages was 27,627, and the total payroll was $37,649,488 as compared to 29,234 employees in 1923 with wages and salaries amounting to $38,382,845.

The apparent total production of pulpwood was 4,647,201 cords valued at $57,777,640 as compared to 4,654,663 cords valued at $57,119,596 in 1923. Of this total in 1924 about 71.4 per cent. or 3,316,951 cords valued at $44,241,582 were manufactured into pulp in Canada, while the remaining 28.6 per cent. or 1,330,250 cords valued at $13,536,058 were exported to the United States. These figures show a decrease from 29.7 per cent. to 28.6 per cent. in the proportion of pulpwood exported. Domestic consumption has increased by 1.4 per cent., while exportation has decreased by 3.9 per cent. No pulpwood is imported into Canada.

The total value of all materials used in pulp-making in 1924 was $50,798,958 and the total value of pulp produced including that used in combined pulp and paper mills for their own paper making was $90,323,972.

COMPANIES TO USE MORE AEROPLANES

Scepticism is Being Replaced by Belief—More and More Machines Used

Aeroplanes are more and more coming into use by the pulp companies in order to survey and to cruise their limits. In 50 minutes of flying a man can see as much as he would in 3 weeks walking. From 2,000 feet up a man can tell what kind of trees are growing and size up the spruce as easily as he can from the ground. He can tell the way the water flows and see the height of ground and can tell the way in which the timber will come out. The spruce swamps stand out clearly. He can see at a glance the shortest way to get the wood out, and for surveying, there is nothing like it as a time-saver. It takes a party of 8 to 10 men a month to survey 50 square miles. These men must have had long experiences in this particular kind of work in order to do it in as short a time. It is now possible to do all this work in a day. Under the old type of forest surveying, the men were frequently attacked by such swarms of mosquitoes and black flys that it was impossible for them to make correct notes. From the air all this can be done with ease.

Errors in Old System

Forest engineers long ago realized that under the old system of timber cruising that when the various lines are located even only half a mile apart, a swamp, a lake or a burn which runs parallel to these lines may be lost entirely. But from 2,000 feet up, the timber cruiser can spot the various kinds of trees—poplar, birch, jack pine and white pine. But spruce cannot be distinguished from balsam.

The disbelief regarding asriel photography, as applied to commercial work, which was prevalent after the war, has been replaced by a general interest all over this country. We are on the eve of still greater developments in this connection.

In addition to being of vital use in the preparation of a forest inventory asrial work pays for itself as an insurance against fire. In addition, before a sound programme of forest conservation can be undertaken the nature and extent of forest resources must be known. This can be done rapidly and inexpensively by aerial surveys.

Emphasize Accounting Methods in Laurentide Annual Report

With earnings equivalent to 6.6 per cent. on its capital stock, the annual report of the Laurentide Company for the 12 months ending June 30, 1925, came up to general expectations. A general betterment of the company's balance sheet position is again seen this year, and this portion of the exhibit is probably better than was generally expected.

Possibly, though, the main feature of the report lies in the remarks of the president who has some significant things to say to the shareholders. Naturally the fundamental strength of any pulp and paper company lies in its timber reserves, and it is interesting to note that George Chahoon, Jr., the president, says that the directors feel that the company's reserves now stand at an amount, without wood from other sources, sufficient to supply the mills with their present capacity for some 40 years.

Another significant statement in the reports to the shareholders reads as follows:

"The management feel that one of the most important points to which the pulp and paper industry should give attention to-day is proper methods of logging cost accounting. Without such methods, earnings may mean nothing. Incorrect or inaccurate information as to the cost of wood encourages unintelligent competition and induces unjustifiable financing."

Probably the best indication of this company's policy with regard to the matters treated in the foregoing paragraph may be obtained from the balance sheet which shows that the company's property account stands at nearly $1,000,000 less now than it did in 1923, and this, despite the acquisition during the past year of large additional timber limits.

Reason for Policies

It can be seen, therefore, that Laurentide's methods of bookkeeping are exceptionally conservative, and that it is the management's intention to build the company up to such position as will insure its permanence no matter what the operating conditions may be. The reason for this conservatism is seen in the report, which says: "The consumption of newsprint paper over the past year has been normal. The mills have been operated at about 93 per cent. of their normal capacity. There is every indication that this normal rate of consumption will be maintained for the coming year, but there are no indications that it will be increased sufficiently to meet the development programmes of the industry. Therefore your directors deem extreme conservation advisable."

What Will Happen When Timber Has All Gone?

At a recent convention the question was asked—"Take away timber, and what then?"

Throughout Canada, from east to west and from north to south this is one of the most important questions we can ask ourselves. We have been so accustomed to an abundance of timber that it is hard to realize what it will mean to Canada, and, to be personal, to ourselves, when we are compelled to find substitutes for wood in the many uses to which the latter is at present put.

We cannot appreciate what Canada will look like without her forests, says the Natural Resources Intelligence Service of the Department of the Interior, and yet we have the authority of Mr. Ellwood Wilson, chief forester of the Laurentide Company, to the effect that at our present rate of consumption and destruction of forests in the eastern provinces there will be a severe shortage within the next twenty years.

There are comparatively few municipalities, either large or small, in Canada where more or less of their people are not entirely dependent upon pulp and paper mills, saw mills, or other wood-using industries. Before taking action, are we going to wait until, for lack of wood, these industries must shut down and throw their employees on the street?

Canada at one time had what was supposed to be unlimited timber resources. Their apparent inexhaustiveness would appear to have been their undoing. We have been both prodigal in their use and careless in their protection; we have exploited them regardless of consequences, and we have burned them with the utmost recklessness. Forest authorities aver that for one tree used for commercial purposes twenty have been destroyed by fire. What a record for a young country struggling to secure a place in world commerce in competition with older nations.

But to return to the opening question: Are we prepared to make a decisive and frank answer? What will we do when our forest resources have gone? When the hundreds of thousands of men now finding employment in wood-using industries can no longer be profitably used?

Canadians have the matter in their own hands. Ninety per cent. of the forest fires are the result of carelessness; not deliberately are forest fires started, but without a thought of the result. Camp fires are left smouldering, smokers allow sparks to escape or throw matches or cigarette stubs in the forest debris before they are dead. Settlers without any intention start bonfires and allow them to get beyond their control. It is too late to be sorry after a forest fire gets started. The time to think is before the fire.

As Canadians need our forests, we need and badly need our forest industries. By keeping fire out of them we can prolong their existence almost indefinitely. The answer to the question lies entirely with ourselves. If we destroy our timber, what then?

Canadian Newsprint Output for Six Months Breaks All Records for Similar Period

During the first six months of the current year, the output of newsprint by the Canadian mills was considerably larger than in the corresponding months of 1924 and exceeded the production in any previous half year. Corresponding with the increased output, there was an increase in the exports of newsprint and, in spite of a decline in the selling price, the value of the newsprint exported to the end of June this year was $2,000,000 greater than in the first six months of last year, while the quantity increased by almost 12 per cent.

The total output for the period was 746,444 tons, which was only 16,000 tons less than was produced by the United States mills in the same period. Compared with the output in the first six months of 1924, there has been this year an increase in the Canadian production of approximately 10 per cent.

The following table shows the production of Canadian and United States mills for the first half of the year from 1920:

	Canada	U.S.A.
First half 1925	746,444	760,464
First half 1924	679,143	753,501
First half 1923	621,697	761,339
First half 1922	516,506	690,142
First half 1921	373,988	615,448
First half 1920	443,512	759,624

	Ttl. tons	Canada's % of ttl.
First half 1925	1,506,908	49.5
First half 1924	1,432,644	47.4
First half 1923	1,383,036	44.9
First half 1922	1,206,648	42.8
First half 1921	989,436	37.8
First half 1920	1,203,136	36.8

The bulk of these exports have been sent to the United States which is, naturally, the best market for Canadian newsprint. Comparing this year's exports with those for last year, however, it is satisfactory to note that shipments to overseas countries increased appreciably, and that 26,280 tons were shipped to overseas markets, as compared with only 9,674 tons shipped to countries other than the United States in the first half of 1924.

Details of the exports for the first half of 1925 and 1924 are as follows:

To:	First 6 months 1925 Tons	1924 Tons	Inc. in 1925 Tons
U. S. A.	650,943	595,611	55,332
S. America . .	7,608	146	7,462
West Indies . .	1,662	99	1,563
U. Kingdom .	5,809	4	5,805
South Africa .	4,279	3,669	610
New Zealand .	5,641	5,297	344
All other . . .	1,281	459	822
Total	677,223	605,285	71,938

Exports for the first six months of this year were about 12 per cent. greater than in the corresponding months of 1924, the increase in tonnage being 71,938 tons. Of the exports this year, 96 per cent. have gone to the United States, but the United Kingdom and South America have taken 13,417 tons, compared with only 150 tons shipped to those countries in the six months of 1924.

It will be seen that the Canadian production for the current year is about 70 per cent. greater than in 1920 and that Canada's share of the combined production is very close to 50 per cent. With the exception of 1921, there has been a steady increase in the output of the Canadian mills, and with the new machines scheduled to come into operation in the near future, it will be only a short time before production in this country passes that in the United States, and Canada will take the leading position.

Canadian exports of newsprint have also increased to correspond with the production and continue to form a considerable item in our total export trade. For the first six months of this year, newsprint exports were valued at $47,741,382, compared with $45,664,854 and $41,426,618 in the corresponding periods of 1924 and 1923 respectively. The increase in the quantities exported has been more striking than the increase in values, as the current prices of newsprint are lower than they have been since 1922.

Exports for the first half year are shown below:

	Exports Tons	Value
First half 1925 . .	677,223	$47,741,382
First half 1924 . .	605,285	45,664,854
First half 1923 . .	550,765	41,425,618
First half 1922 . .	457,340	32,669,436

Lead United States Mills Again

For the third time within a year monthly production of newsprint in Canada has exceeded that of the United States, according to returns for July just received from New York. The figures for July representing Canada's output are 121,664, and for the United States, 121,113 tons, a total of 242,777 tons.

Production in July was lower than in the previous months, there being a smaller output both in Canada and in the United States.

Details of production are as follows:

	Canada	U.S.A.	Total Tons
July, 1925 . .	121,664	121,113	242,777
June, 1925 . .	124,209	128,430	252,639
July, 1924 . .	114,133	114,859	228,992

For the first seven months of the year, Canadian production amounted to 868,108 tons, as compared with an output of 793,276 tons in the corresponding months of 1924; an increase for this year of 74,832 tons, or 9 per cent. The United States mills in the same period produced 881,577 tons, as compared with 868,360 tons in the corresponding months of 1924, an increase of 13,217 tons, or 1.5 per cent.

QUEBEC

The Leading Province in Pulp and Paper Production

Where Steady and Healthy Growth is Further Assured

THE pulp and paper industry in Canada had its birth in the province of Quebec six score years ago and to-day the province is the leading producer of pulp and paper in the Dominion. Evidence that this leadership will be maintained is given in the important construction works in the pulp and paper field under way in Quebec province at the present time or planned for early attention. The wonderful growth of the industry in the province has been due to the excellent combination of ample wood supplies, of abundant water power, capable of economical development, of contented, sturdy workmen and government policies that insure sound encouragement for development of water powers and sane exploitation of forest resources to guarantee the perpetuity of the industry.

Of the 115 pulp and paper mills in Canada, 49 are in the province of Quebec. Of the $459,000,000 invested in the industry in Canada at the end of 1924, $220,000,000 was invested in the Province of Quebec and most of this investment has been made during the past 35 years when investment confidence in the opportunities of Quebec's forests has grown apace.

Quebec is the leading producer both of wood pulp and paper in the Dominion. In 1924, production of paper was $60,000,000 and of wood pulp $44,000,000.

At the present time there are many fine pulp and paper projects going forward in the province and many water power developments as well to supply the low cost power that is so essential to large scale development in the pulp and paper field.

Price Brothers and Company, one of the world's leading pulp and paper companies, is in the midst of expansion. Port Alfred Pulp and Paper Company, a leader in the manufacture of sulphite pulp, is planning the erection of a large newsprint mill. The International Paper Company, which has developed immense mills already in the province, has announced early construction of large additions to its Three Rivers mill and has other projects planned for the province. The Wayagamack Pulp and Paper Company is completing a newsprint mill in the province to add this commodity to its present production of wrapping paper. The Anglo-Canadian Pulp and Paper Mills is shortly to erect newsprint mills. These are some evidences of the development that is going forward steadily.

The development has been given impetus by the harnessing of water powers that have for many years thundered in unyielding majesty, as awaiting the magic of machinery to translate their natural forces into jobs for men and wealth for citizens. Throughout Northern Quebec, particularly, water powers are undergoing great development and economic significance is being given to areas that have scarcely felt human footsteps in the past.

As the forest reserves of other parts of the world are gradually depleted; as reserves of power become less; as world demand for forest products grows, the forests and water powers of Quebec will become increasingly important. All signs point to steady and healthy expansion of the pulp and paper industry in Quebec Province.

Daily the Department of Lands and Forests is giving the closest co-operation to those who are developing and to those about to develop the forests.

With forests covering more than 130 million acres with a value of well over a billion dollars, capital is being invested daily.

With the object of conserving the forests, the Government's forestry department ensures that lease holders maintain certain trees for regeneration purposes, maintains an organization for reducing fire loss to a minimum, and enforces rules with regard to burning brush, etc.

These regulations are as much a help to the operating companies as they are to the province with the result that capital investment is in no way hindered.

Quebec's Place in the Canadian Pulp and Paper Industry

Items	All Canada	Quebec
Number of establishments....	115	49
Pulpmills	46	19
Pulp and paper mills	34	15
Paper mills	35	15
Capital invested	$459,457,696	$220,709,994
Total employees	27,627	13,532
Salaries and wages	$37,649,488	$17,504,391
Fuel used, value	$12,530,825	$5,819,145
Power employed	797,748 H.P.	376,067 H.P.
Pulp-making materials, value.	$50,798,958	$23,627,450
Pulp manufactured	$90,323,972	$44,090,213
Paper-making materials	$64,698,062	$30,476,824
Paper manufactured	$133,395,673	$61,159,703

Wood Pulp

	Tons	Value
Groundwood	688,972	$18,443,244
Sulphite, bleached	51,983	4,061,305
Sulphite, unbleached	231,940	11,466,000
Sulphate or kraft	176,690	9,740,932
Screenings	20,729	378,732
Total	1,170,314	$44,090,213
Total for all Canada.........	2,465,011	90,323,972

Paper

	Tons	Value
Newsprint*	658,628	$46,995,650
Book and writing	25,441	5,128,232
Wrapping	58,128	5,425,663
Boards	36,952	2,498,080
Other paper	26,445	2,465,591
Other products	.....	10,367
Total	805,594	$62,523,583
Total for all Canada.........	1,718,741	133,395,673

*Includes output of one paper machine in New Brunswick, not separated in Federal Government Statistics.

For Information write HON. HONORE MERCIER, Minister of Lands and Forests, QUEBEC

Mills Can Now Store Steam, Reducing Their Fuel Costs

Advance of Technical Science Brings With it Invention Making Possible Accumulation of Steam Under High Pressure —Invented by Dr. Ruths.

In the pulp and paper field much attention has been paid to the installation of machinery that will reduce costs. Since the price at which the product of the mill is more or less fixed at any time, savings in production costs lead to larger profits.

One of the developments that has attracted most attention recently is a steam storage system, invented by Dr. Johannes Ruths, a Swedish engineer, and which has already been installed in some Canadian paper mills. Over 200 technical articles have appeared concerning this system. Here the system is described in non-technical language and investors will read the article with interest since it indicates how engineering knowledge is being brought to bear upon the problem of increasing dividends to shareholders.

DURING the initial stages of development of the pulp and paper industry, great importance was laid upon the general layout of the mill, upon the best types of machines for the actual fabrication of paper and reduction of pulp, and, in fact, upon almost all phases of the industry other than actual production of steam. At that time the cost of coal was, of course, very much lower than it has been in more recent years, and the relative cost of steam production was, therefore, not very great. As the industry developed, however, and competition grew more keen, greater importance was attached to the economical production of steam. Accordingly, careful study was made of the most efficient type of boiler; of the most efficient type of furnace, and of the correct methods of firing the coal. The old hand-firing methods which gave an economy of only approximately 50 per cent., soon gave way to the more modern stoker-fired furnace, and, in more recent years, the stokers have, in some cases, been giving place to pulverized fuel.

Throughout this development, while it was considered of great importance that the most efficient methods of steam production be used, the effects on efficiency of having to produce this steam to meet a widely-fluctuating load, were not generally realized. The fluctuations in steam consumption were considered as being more or less of a necessary evil, and in order to meet them it was necessary that the boilers be frequently forced to very high overload capacities. This was, of course, very detrimental to their efficiency.

In order to meet the needs which arose at this time, due to the incompetency of boilers to handle such widely-fluctuating steam requirements, Dr. Johannes Ruths, an eminent Swedish engineer, designed the Ruths Accumulating System, and designed it primarily for use in the pulp and paper industry. It might be mentioned at this point that progress in the pulp and paper field has been very rapid, and the paper industry itself has been a leader insofar as new developments are concerned. Many of our most important inventions, including the Ruths Steam Accumulator, have been conceived because of economies which they would effect in the production of pulp and paper.

The principle used by Dr. Ruths in his design of the accumulator tank proper, is a principle which has been well known for a very long time, namely: the principle of storing steam in water. If water is held in a tank under high pressure, and the pressure in that tank is reduced, a very large quantity of steam will be evaporated. The amount of steam which can be stored in this way is many times larger than the amount which could be stored in a tank of the same volume, if it were stored in vapor form. Engineers have realized that the ordinary water tube boiler has a capacity for storing steam in its water space, although this capacity is very small, due to the small dimensions of the boiler and the low pressure drop which can be allowed. The modern horizontal return tubular boiler has for the same pressure drop a slightly greater capacity for storing steam, and the Lancashire boiler has yet a still greater capacity. With the pressure drops which are admitted, however, none of these tanks can liberate a sufficient quantity of steam to make them of any commercial importance whatever as accumulators. Prior to the inception of the Ruths Steam Accumulator, tanks were designed of sufficient capacity to store rather large quantities of steam in the form of vapor, but the dimensions of these tanks were so large that the savings to be effected were a very small proportion of the initial cost. Very small steam accumulators designed along somewhat the same lines as Dr. Ruths' tank, were put on the market under the name "Rateau Accumulator." The Rateau system was simply a small tank which would store steam at low pressures for periods of very short duration. The pressure variations in these tanks seldom exceeded three pounds, and the tank capacity was very small. Their sole purpose was to receive the exhaust steam from inefficient intermittently working steam engines, such as hoisting engines, and to supply it at a more or less constant rating to low-pressure steam turbines of better efficiency. Dr. Ruths, in studying the pulp and paper industry, realized that a tank which would store sufficient steam to carry fluctuations lasting for several minutes, was hardly of any commercial importance and he, therefore, designed a system which would store sufficient quantities of steam to eliminate fluctuations lasting for hours, utilizing wide pressure drops in his accumulating tanks.

Stores Excess Steam

In the pulp and paper industry, the steam demand being of a very fluctuating nature, the steam accumulator will enable the boilers to be run at a constant rating corresponding to the average requirements in the mill, and will store the excess steam at times of low requirements, returning it again at times of high demand. In this way, all variations in the steam demand are eliminated from the boiler house.

The Ruths steam accumulator system is applicable to a very wide variety of industries in which the pulp and paper is the foremost. Prior to May, 1925, a total of over 200 installations had been made. Of these, over 80 were in pulp and paper mills, over 50 in textile mills, about 20 in chemical works, 10 in dairies, 8 in sugar factories, 10 in electric power stations, and a smaller number in iron and steel works, breweries, etc.

The tanks have been made of as great a volume as 13,000 cu. ft., and as small a volume as 60 cu. ft.; and of as great a capacity as 53,000 lbs. of steam, and as small a capacity as 410 lbs. of steam per hour.

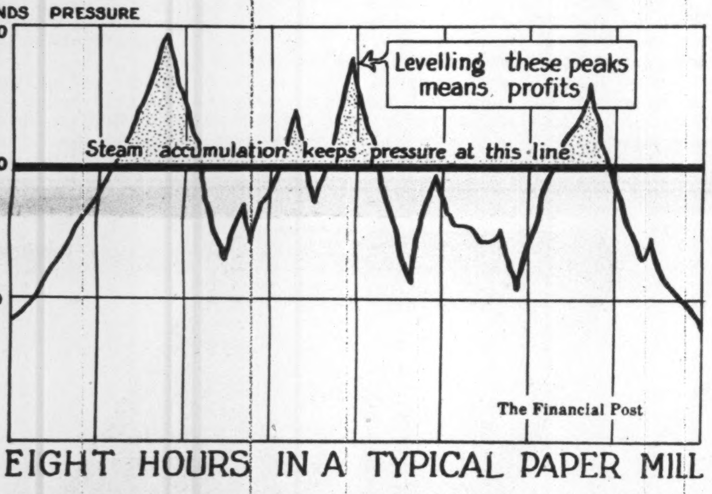
Possibly the most evident benefit to be attained in any plant through the installation of a steam accumulator, is a marked saving due to increase in boiler efficiency. In a careful study of over 100 installation, it was shown that a steam accumulator effected a fuel economy of from 15 to 30 per cent. In many pulp and paper mills this would result in a saving which would amount to from $20,000 to $40,000 per year.

Another Saving Here

A less evident source of economy, but one which possibly results in even greater financial returns than those previously mentioned, is found in increased production. Pulp mills have reported increases of well over 20 per cent. in yearly production of pulp, with the same number of digesters, and the same number of boilers, accomplished solely through the installation of a steam accumulator.

In many industries it is possible, through the use of an accumulator, and since an unlimited supply of steam is available at an instant's notice, to shorten the time required to complete a certain process. By so doing a larger daily production can be obtained with a smaller capital outlay for equipment in the particular plant. The total of these various savings is, as a rule, so great that an accumulator installation will return the money which has been invested in it in approximately one year's time.

In the relatively short period of its development, the accumulator has made a deep impression on the pulp and paper industry of the world. It has filled a long-felt requirement of plants which have heretofore been forced to operate inefficiently, due to the nature of their loads, and it undoubtedly can be numbered among the most scientific achievements of the age.



Steam loads in a pulp and paper mill show great variations from hour to hour. Steam storage levels the peaks by making it possible to accumulate steam and maintain constant pressure. The chart graphically illustrates how this translates itself into economies.

FIRES IN QUEBEC'S FORESTS BURNED UP 200,000 ACRES

Province Has Total Area of 130,000,000 Acres of Wood

During the year 1924, 203,262 3-4 acres of timber were destroyed in the province of Quebec; merchantable timber, with 67.707.75 acres, easily headed the list, according to the first annual report of the Forest Protection Service, issued last week by Henri Kieffer, chief of this branch of the provincial government. In all there were 636 fires during the course of the year, of which 180 were slash fires, 56 caused by railroads, 54 by lightning, 15 unextinguished fires, 63 caused by hunters and fishermen, 96 by travelers and smokers, 45 by forestry workers, three by men working on the province's roads, and 118 set down as being due to unknown causes.

The report, which covers more than fifty printed pages, and contains numerous illustrations and diagrams, outlines the laws in connection with protection of the forests against fires in the province of Quebec and in Canada, and also contains a statement as to the forest wealth of the province.

The forestry domain of the province, in which protection should be exercised with the most attention, covers 130,000,000 acres, Ungava and Labrador omitted, of which 76,500,000 acres of forest are Crown lands, the protection of which falls under the department.

Nearly 4,000 Rangers

Practically another 3,000,000 acres have to be patrolled by the forest protection service, contained in the mining districts, 90 per cent. of which is in Abitibi and Temiskaming. In addition to this, 8,000,000 acres, split up into colonization districts, are also looked after by the service.

Last year there were 3,385 fire rangers employed in the province, an increase of 1,368 over the preceding year, while 143 observation towers were erected at various spots in the province during the year.

Experiments were made with the radio-telephone in the forests, but the results have not yet been sufficiently extensive to permit the use of this means of rapid communication.

PAPER BOX INDUSTRY IN CANADA GROWING

Now Over $15,000,000 of Capital Invested

A revised report on the paper box and bag industry in Canada for 1924 has just been issued by the Forest Products Branch of the Dominion Bureau of Statistics. This is one of the most important of the secondary manufacturing industries depending on the pulp and paper industry for raw material.

The report covers only those firms which specialize in the manufacture of stiff, folding and corrugated boxes, cartons and other paper board containers and paper bags. These firms also manufacture in many cases, envelopes, egg case fillers, paper drinking cups, bottle wrappers, mailing tubes and other miscellaneous products. The figures relating to production are not in all cases to be regarded as comprehensive as some of these products are also manufactured as side lines in other groups of industries.

There were 94 firms engaged in the manufacturing of paper boxes and bags as their principal product in 1924, involving the investment of $15,678,478 as capital. The industry gave employment to 3,909 people and paid $3,543,193 in salaries and wages. The total cost of materials which consisted chiefly of paper board, paper, glue, ink and other materials, was $6,058,067, of which $1,635,787 was used in the manufacture of stiff boxes, $1,562,542 in the manufacture of folding boxes, $1,760,516 in the manufacture of corrugated boxes and wrappers, and $1,099,222 in the manufacture of paper bags, envelopes and other products.

The total value of all products of this group of industries in 1924 was $12,556,840; being made up chiefly of stiff boxes valued at $4,103,395; folding boxes valued at $2,824,821, corrugated boxes and wrappers valued at $2,395,254 and paper bags valued at $1,531,998.

Ontario leads the other provinces in the manufacture of these commodities with Quebec, Manitoba, New Brunswick, British Columbia and Alberta following in order of importance.

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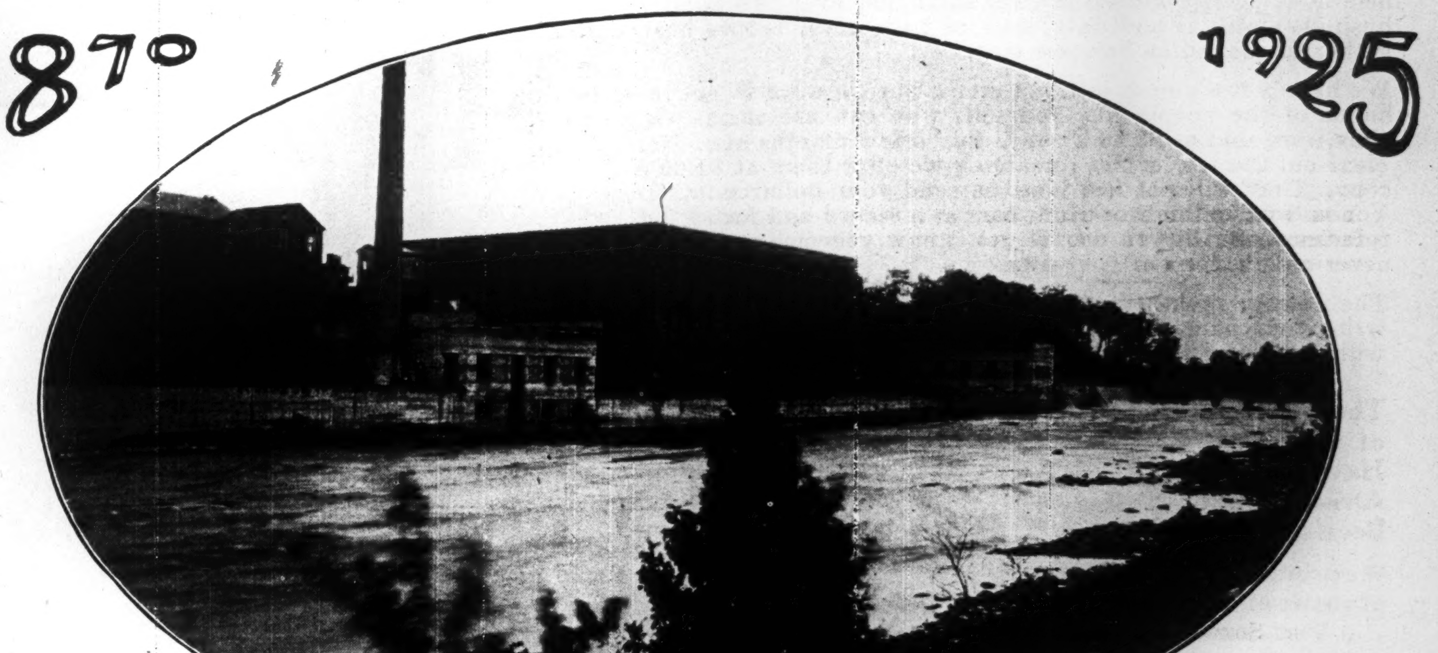

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PIONEERS and LARGEST MANUFACTURERS in CANADA OF

PULP and PAPER MAKERS' FELTS

ALSO SPECIALIZING IN ALL WOOL BLANKETS

Barren Land in 30 Years; Result of Forest Depletion

Other Industries and General Well Being of Country Dependant on Forests — Unless Governments Take Action Now, Future of Country Endangered

The general public in Canada have little understanding of what forestry is, and the important problems which forestry must meet in this country. This statement is so true that at the last annual meeting of the Canadian Society of Forestry Engineers a resolution was adopted to make the major project of the society a campaign to disabuse the public mind of erroneous opinions as to what the most important forest problems are and what forestry itself is, and to insist upon the necessity of federal and provincial policies which will be so co-ordinated as to ensure a sustained yield from our forest reserves.

First, it might be best to take into consideration just what part, or rather proportion, of Canada's total annual production comes from the forest. There are five major sources of primary production in Canada. First comes agriculture, then forest production, then mining, then hydro development and lastly, fishing. These five primary industries are listed in the order of their importance. Excluding agriculture, forestry produces a larger revenue than any of the others.

Necessity of Foresters

In the early days, people went into the Canadian bush and chopped logs as they wished; no art or science was necessary. But times have changed and so has the forestry business. The reason why we now have forest engineers was through no idea of sentiment; they came as a necessity. This has been the case with all countries in which there was the possibility of the forests being denuded, for forests exert a great influence upon water supply, agriculture, industry and are also indispensable to the general well being. In a paper read before the Engineering Institute of Canada early this year, Francis Kiefer, formerly a member of the United States Forestry Service, gave a review of Canada's forest resources and made a plea for their greater protection and conservation. In order to make his point that the forests are necessary to Canada, he said in his paper:

"It is accepted by students of forestry that a country suffers if less than 30 per cent. of its area is timbered. Ordinarily a country in which the forest area has been reduced to 20 per cent. or less shows to a marked degree bad climatic conditions with prolonged droughts, frosts and alternating floods and low water. Spain has 14 per cent. of its area under forests, Greece 15 per cent. and Italy 18 per cent. They are all good examples of the unfavorable conditions of inadequate forest cover. In this age of rapidly expanding hydro-electric development, to which regular stream flow is a matter of prime consideration, healthy and adequate forest cover is a necessity."

Wood Supply Absolutely Necessary

Wood in itself is a vital necessity. Its convenience and adaptability to all uses has made it indispensable. The results of the forest depletion are easily recognized in the fact that many substitutes are now being developed. Whenever possible steel goes into ships and buildings, railway cars and even furniture. There are many other examples of the rising cost of wood, but even with costs rising and the increasing use of substitutes, people still continue to use more and more wood.

There is one interesting point in connection with the use of wood for fuel. It is usually considered that if one burns coal, wood is saved. So it is, but it is an accepted fact that for every hundred tons of coal mined two tons of wood are used to support the roof of the tunnels in the mine excavations. Probably the most important use for wood though, is its practical indispensability in making paper. Until the use of wood was discovered in the making of paper, there was always a scarcity. The use of paper, too, is increasing just as quickly as the use of wood, and it, too, is an absolute necessity. If the so-called benefits of democracy have been of service to the human race, it is paper which has given us democracy, and we have to thank cheap paper and hence cheap education for our present system of government.

Our Forest Investment

It is estimated that the value of the accessible raw material, also the capital invested in forest operations, is close to one-fifth billion dollars. This means that the forests and forest activities constitute about one-quarter of the country's assets. The total annual value of the forest products of this country is in the neighborhood of $300,000,000.

Of course, the forest produces annually only about one-quarter the amount produced by the farms, but next to farming, the forest produces more wealth than any other one of our resources. During the year 1923, the Canadian National Railways used 250,000 freight cars to remove the results of forest activities. To better appreciate these figures, they mean that, if the cars used in this business by this one railway were placed end to end, they would occupy 2,000 miles of railway track. During the same year 17 per cent. of the entire tonnage of the National Railways consisted of forest products.

The Life of the Forests

What are these resources which produce this vast amount of wealth each year? The total forest area of this country is 765,000,000 acres of all types of timber. The total standing timber, including that of merchantable size, is estimated to be 246,791,532,000 cubic feet. The annual depletion of this is estimated at 5,500,000,000 cubic feet. It only takes a sum in division to estimate that, at the present rate of depletion, we have but fifty years as the remaining life of the Canadian forests. It is well to realize here, too, that these figures deal with the total timber resources of Canada, not only the ones which we can develop commercially, so that, at the present rate, it would not be a misstatement to say that there will be a big shortage of wood within thirty years, as much of this timber is in inaccessible places and, in many instances, useless.

This is an extremely alarming condition, but it has its remedy. Because of our wanton destruction of young growth and the deterioration of the forests by repeated fires, there seems no possibility at present of Canadian forests lasting much longer than, say thirty or, at most, forty years. Of the annual depletion of our forests, 53 per cent. is due to insects, fungi and forest fires; the remaining 47 per cent. is used. Annually 2,000,000 acres of forest land in Canada are burned over and of this amount, 1,300,000 acres of young growth are wiped out.

In one province alone, that of British Columbia, two-thirds of the forest wealth has been destroyed by fire. The unfortunate part of the whole thing is that more timber is being wasted annually than is being used and that most of this destruction comes from a preventable cause—fire.

What the Forester Does

This is where the forester comes in. It is commonly thought that the forester's chief duties are fire prevention and tree planting. These are, of course, an important part of the forester's duties, but he must also have a technical education and training and a knowledge regarding the life history of the various trees, growth and production, how to manage the forests to produce the highest possible revenue by the production of forest crops. In other words, his purpose is to make a forest a continuous thing which will yield an annual dividend. The difference between the forester and the lumberman lies in the fact that the former operates his forest with the greatest possible economy, in order to provide for its continuance, whereas the latter cuts the forest when the crop is ripe. Some of the other things which the forester must know include whether it is more profitable to grow forests or agricultural crops on various types of soil.

The aim of the forester, therefore, is to maintain the forest upon lands not more valuable for agriculture, to improve the composition, volume and development of his stands of timber. This is accomplished by classifying land, by removing mature or over-ripe trees and those of undesirable species and encouraging and protecting the young growth.

The Situation and—

Here then is the situation as it exists to-day. Our forest resources are being rapidly consumed by industry and by fire, with but poor attempts at protection from the latter. For the most part the Crown lands are under license for exportation and the entire revenue from them is poured into general treasury for expenditure on every kind of government activity. Little revenue taken from the forests is put back into them—it is a case of paying dividends without earnings. Our forests are quickly being converted into cash and they are not being kept up. What the result on the final day of reckoning will be, no one knows.

Both the federal and provincial governments are in an exceptional position to carry on the proper management of our forests but, as yet, they do not seem to have realized the seriousness of the situation. About 80 per cent. of the timber lands in Canada belong to the Crown, it is indeed imperative that this source of revenue should be conserved. Probably, though, the government will act when it is too late, as has been the case in the United States, where now more money is put into the national forests than comes out of them in revenue.

Its Only Cure

There are several things necessary to prevent the complete loss of our forests. They are of importance in the order named: The arousing of public opinion; a co-ordinated forest policy on the part of the federal and provincial governments: the examination and classification of forest areas; the establishment of various areas as permanent forest units; the proper management of these units; an adequate personnel to handle these problems; and the application of sufficient funds derived from our revenue from our timber lands, which would be applied for all these purposes and for research.

One of Canada's leading forest engineers estimates that the Province of Quebec, leader in the Canadian pulp and paper developments, has only 21 years of timber supply ahead of it. This picture, by a man who knows his business and is in a position to accurately forecast the future, definitely fixes the life of our pulp and paper industry—it is therefore an alarming situation.

United States and Canada Agree

It is a striking coincidence that at the time the report of the Royal commission on pulpwood appeared, coincident with its publication there appeared a pamphlet issued by the United States Department of Agriculture entitled "How the United States can meet its present and future pulpwood requirements."

The recommendations in both these reports point a clear way to perpetuating the benefits which have accrued to the country through its timber resources. These recommendations appear in the two different reports—both reports are practically identical in their recommendations, except that legislation is already in force in the United States covering some of the recommendations made by the Royal Commission in Canada. A resume of the recommendations is as follows:

(Abstract of Recommendations made by the Royal Commission on Pulpwood)

1. Land classification of publicly owned areas to determine which should be assigned to permanent forest production through the creation of National and Provincial Forests.
2. Federal and Provincial legislation for the application of a Dominion-wide forestry program.
3. Enlargement, reorganization and co-ordination of the Federal and Provincial forest services on a scale commensurate with the importance of the administration of Canada's second greatest natural resource.
4. Adequate provision for forest protection including works of improvement in co-operation with the Provinces.
5. Provision for forest surveys and inventories.
6. The application of the principles of forest management to forest lands in public control so far as economic conditions permit.
7. Continued and enlarged tree planting activities.
8. More silvicultural research, including studies in timberland taxation, and the establishment of forest experiment stations.
9. The application of a much larger part of the revenue from forest lands to their protection and management, and the assurance of continuity in appropriation for the forest services.

In round figures, ninety per cent. of Canada's forest area is publicly owned and 10 per cent. privately owned. In the United States the reverse is true with 80 per cent. privately owned and 20 per cent. publicly owned. But for both countries there is set up in these official reports the basic principle of Federal, State or Provincial, and private co-operation for the solution of the pressing problems of forest protection, forest management and forest utilization. This principle was recognized in the McNary-Clarke law enacted by Congress in June, 1924, and will be given similar recognition if there ensues the legislation suggested by the Royal Commission on Pulpwood.

(Abstract of Recommendations by the United States Forest Service)

1. Extended and improved forest protection in co-operation with private owners.
2. Equitable forest taxation.
3. Encouragement of satisfactory forms of timber insurance.
4. Research upon pulpwood and pulpwood processes.
5. More research by forest experiment stations into problems of reforestation, timber growing and forest protection.
6. A timber survey to determine supplies, needs and available forest lands.

The rapid depletion of spruce and balsam forests is turning the eyes of manufacturers towards other species of trees for their supplies. Hemlock already provides the entire wood supply for some mills—hardwoods are gradually being introduced into sulphite pulp suitable for some grades of paper. Further development along this line may be expected. Jack pine has been used successfully. Efforts are being made in Europe to use more resinous wood and should they prove successful, no doubt the sulphite process will be extended in this country to include many types of wood.

Warns Against Buying Utilities as Gambles

Herbert A. Wagner, president of the Consolidated Gas, Electric Light & Power Co., of Baltimore, of which Sir Herbert S. Holt and J. E. Aldred are directors, has issued a warning against wild speculation in stocks of electric and gas utility companies, similar to that recently sounded by Samuel Insull, president of the Commonwealth Edison Co., of Chicago. Mr. Wagner said in part:

"The sensational rise in the market prices of many electric and gas utility stocks suggests a warning which should cause conservative investors, and particularly those who are less experienced, to give more consideration to the fundamental characteristics of utility issues and of the conditions under which such utilities are forced to operate.

"The regulation of public utility earnings has reached a basis where such utilities cannot expect to earn more than 8 per cent. return on the values of their properties, and the regulation of security issues is tending rapidly to place the issues on a close parity with the actual property values. Earnings materially in excess of those allowed must inevitably be, and have been, followed by rate reductions.

"The stocks of sound public utilities are good investment stocks. But from their very nature as to stability and limitations as to dividends they should sell as investment stocks and not as speculative stocks. Good and well seasoned utility stocks may reasonably sell on a 6 per cent. basis. A stock paying 8 per cent. dividends would in such case sell at approximately $133 per share.

"In considering no par utility stocks the same fundamental conditions exist and the same controlling factors and limitations apply."

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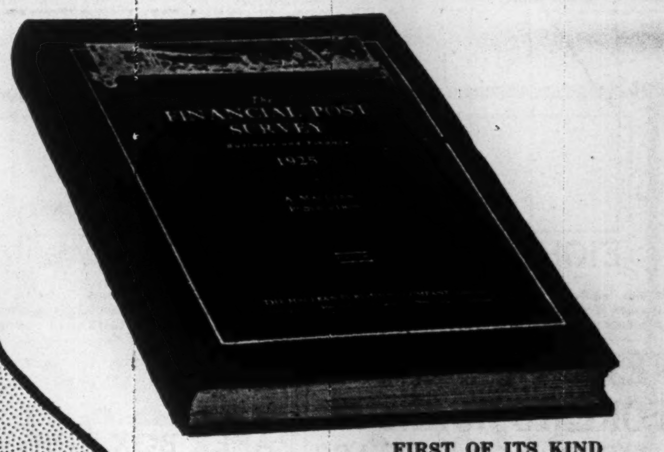
We printed thousands of copies of The Financial Post Survey. Half a dozen Canadian novels together would probably have a smaller sale than The Financial Post Survey. The binder who bound the books said The Survey was about the largest order they had ever had.

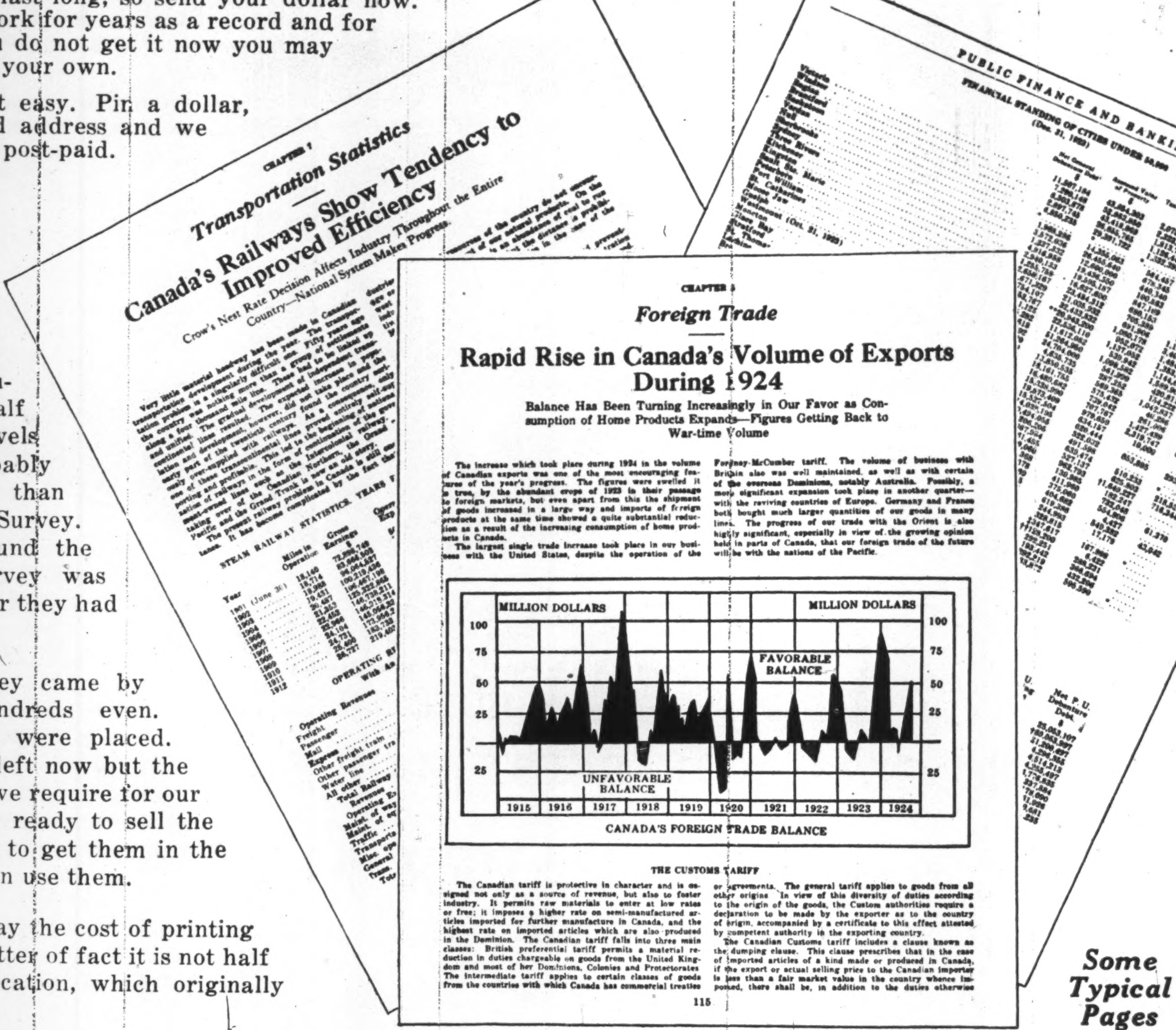
Orders for the Survey came by singles, dozens, hundreds even. Thousands of copies were placed. There are not many left now but the number is more than we require for our own files and we are ready to sell the balance at one dollar to get them in the hands of those who can use them.

The dollar does not pay the cost of printing and binding. As a matter of fact it is not half the cost of the publication, which originally sold at $3.00.



FIRST OF ITS KIND

This is the first survey of its kind that has been produced in Canada — the first time that facts and figures on all phases of Canada's business, industrial, financial and political life have been made available to the public; the first time that these figures, gained from so wide a realm of interests, have been collected within the covers of one book. No one who is interested in any phase of business or industry can fail to find here information that will be invaluable.



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Bleached Sulphite Wood Pulp

KIPAWA MAPLE LEAF BLEACHED SULPHITE

Save The Forest

Be Careful
To leave no Smouldering Fire.
Put it Dead Out.
Do not throw away Lighted
Matches, Burning Cigarettes,
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Put them Dead Out.
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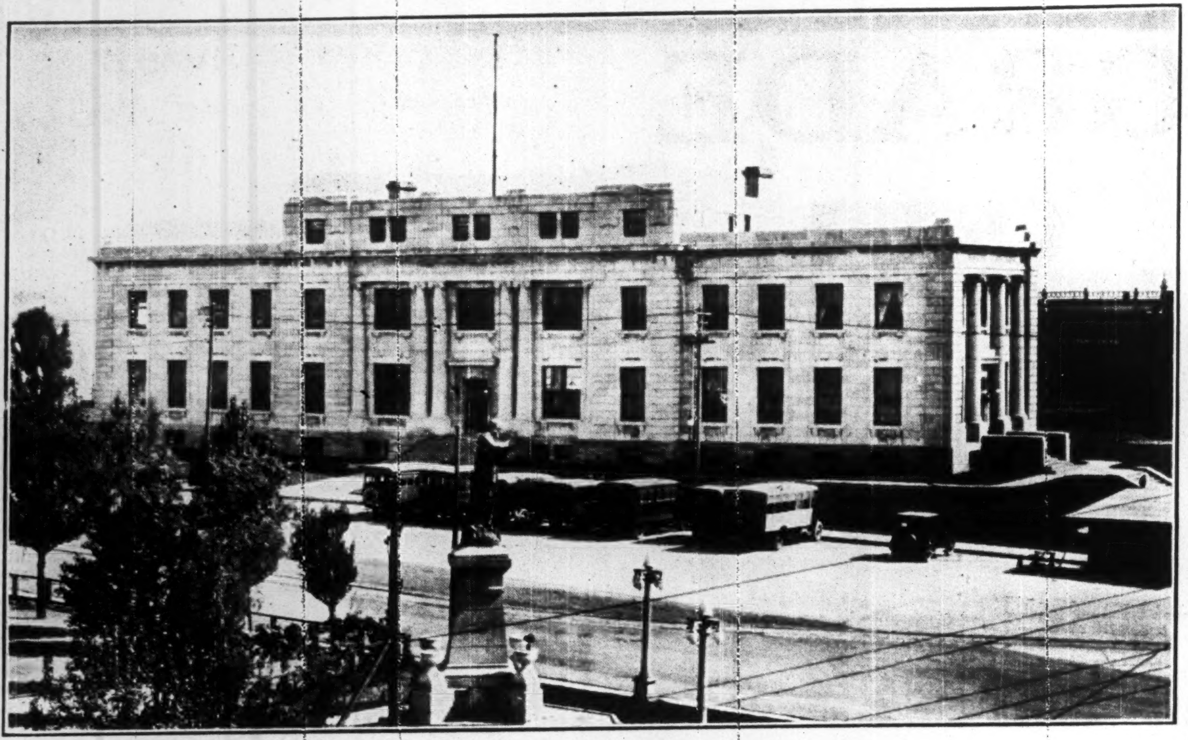
Post Office at Les Trois-Rivieres (Three Rivers)



St. Maurice Valley Paper Mills Produce Over $50,000,000 Yearly

THE leading pulp and paper producing area in the world is located in and around Three Rivers, in the province of Quebec. At this point are all the factors to go to build up pulp and paper mills. Ample supplies of timber are located conveniently tributary to the great St. Maurice River and its branches. Low cost power is available in large amounts. Located at the conjunction of the St. Maurice and the St. Lawrence Rivers, Three Rivers offers, too, excellent shipping facilities, both for bringing pulpwood supplies from reserve timberlands and for shipping the finished product by water or rail to home or foreign markets.

Seven great factories in the St. Maurice Valley produce pulp and paper products, and four of these are located in Three Rivers itself. The seven plants have a total annual production of 625,000 tons of paper annually. The annual value of the products of these plants is over $50,000,000.

Below is a record of the paper production of Three Rivers and vicinity, with allowance for extensions under way. Figures of pulp production are not included as most of the pulp is used in the paper produced, and to include the pulp would mean duplication.

International Paper Company

	Tons Daily	Tons Yearly	Value
Newsprint paper	700	214,200	$14,994,000

Wayagamack Pulp and Paper Company

	Tons Daily	Tons Yearly	Value
Newsprint paper	200	61,200	$4,284,000
Wrapping paper	300	91,800	9,180,000

St. Maurice Paper Company

	Tons Daily	Tons Yearly	Value
Newsprint paper	250	76,500	$5,250,000

St. Lawrence Paper Mills

	Tons Daily	Tons Yearly	Value
Newsprint paper	150	45,900	$3,213,000

In addition, the following other paper mills are located in the St. Maurice Valley:

Belgo Paper Company, Shawinigan Falls

	Tons Daily	Tons Yearly	Value
Newsprint paper	365	111,690	$7,818,300

Laurentide Company, Grand'Mère

	Tons Daily	Tons Yearly	Value
Newsprint paper	375	114,750	$8,032,500
Wrapping paper	50	15,300	918,000

In addition to paper mills there is a large kraft pulp mill in the St. Maurice Valley that does not as yet produce paper. It is:

Brown Corporation, La Tuque

	Tons Daily	Tons Yearly	Value
Chemical pulp	200	61,200	$3,672,000

LOOKS TO CANADA TO LEAD IN NEWS OUTPUT BY 1926

In speaking before the annual meeting of the Pulp and Paper Mill Superintendents' Association at Niagara Falls some time ago. R. S. Kellogg, secretary of the Newsprint Service Bureau, had some things to say which are of interest to the shareholder in Canadian newsprint stocks. He declared that during the first four months of this year, the mills of North America made more than a million tons of newsprint paper and it looks as if the total for 1925 would set a new high mark beyond 3,000,000 tons, out of a world production of 5,000,000 tons. The North American industry has a capacity of 11,000 tons of newsprint daily, and new machines totalling 1,500 tons additional capacity are under construction; to say nothing of other projects less advanced. This means, he declared, an increase of nearly 100 per cent. in a period of eight years, and is a remarkable showing even on a continent which has accomplished big things.

Mr. Kellogg further stated: So far as there is any means of determining, it looks as if from 1926 on, Canada would be the world's greatest producer of newsprint paper.

St. Lawrence Paper Completing Pulp Mill

One of the newest paper mills at Three Rivers is that of the St. Lawrence Paper Mills. At first it bought the sulphite pulp it required, but it is now completing a modern sulphite pulp mill.

Construction was started on May 1, and the mill will be completed about October 15. It will have an ultimate capacity of 90 tons, but at first it will produce only enough to meet the requirements of the present newsprint mill—that is about 45 tons a day.

A few years ago the other mills in the vicinity had a surplus of sulphite which they were only too glad to sell, and thus there was no need at first for the St. Lawrence mill to go in for the manufacture of this product. Lately, however, these mills have expanded so that there has been no available surplus. At the present time the St. Lawrence mill brings sulphite pulp all the way from the Chandler mill of the St. Lawrence Pulp and Lumber Corporation (an entirely distinct corporation) but with the opening of the new mill it will have a self-contained paper mill producing all of its own requirements of pulp.

WABASSO COTTONS

are CANADA'S BEST

And now include a complete range of Colored and Mercerized Fabrics, Broadcloths, Lingerie Cloths, etc., in all the latest shades.

Our range of Bleached Cottons comprises Sheetings, Circular Pillow Cottons, Nainsooks, Madapolams, etc., in qualities warranted to stand the severest tests.

THE WABASSO COTTON COMPANY
LIMITED
THREE RIVERS - QUE.

LEADING THE WAY

TO THREE RIVERS

Continued Industrial Growth

No single factor has been more responsible for the industrial growth of Three Rivers than has its abundant supply of hydro-electric power.

Industry seeks power. Always it has been the policy of this company to anticipate the needs of industry with surplus power.

Thus, has Three Rivers been able to, and can further capitalize its other industrial advantages to the fullest extent.

CONTINUOUS, DEPENDABLE

HYDRO-ELECTRIC POWER

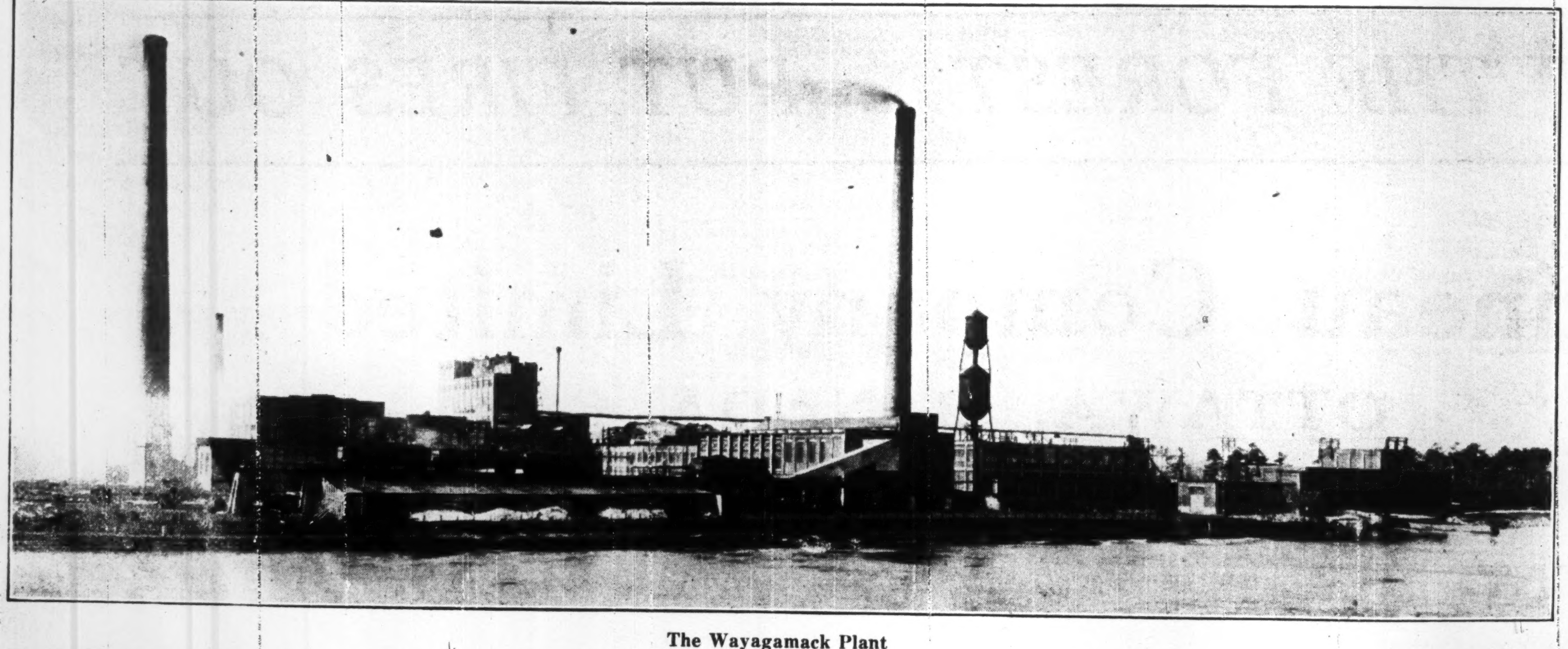
available for industries at reasonable rates

THE

NORTH SHORE POWER COMPANY

THREE RIVERS - QUEBEC

Distributors of Shawinigan Power



The Wayagamack Plant

The
Wayagamack Pulp & Paper
Company, Limited
Three Rivers - Canada

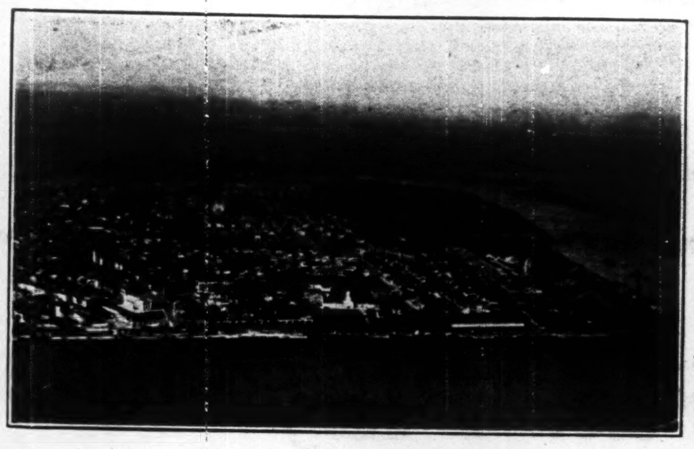
Manufacturers of

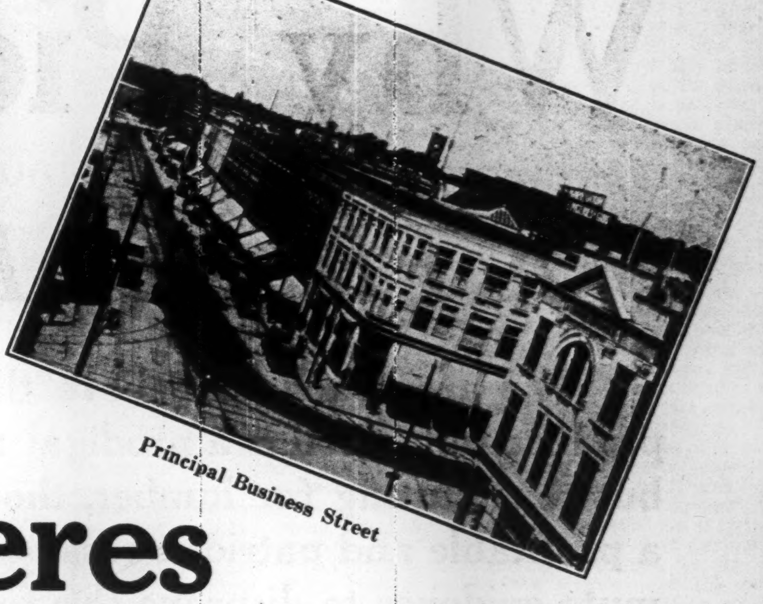
Sulphate Pulp and Kraft Wrapping Paper

Largest Kraft Mills in the World.

Will operate Wayagamack News, Limited. Rated daily capacity, 200 tons of newsprint.

City Hall


Aeroplane view Les Trois-Rivières. Note splendid water transportation facilities.


Principal Business Street

Les Trois-Rivieres

Province of Quebec, Canada

Now Canada's Greatest Pulp and Paper Center

Offering outstanding advantages to all industrial enterprise

A Growing City

FOUNDED in 1634, Les Trois-Rivières is the second oldest city in Canada; and situated at the juncture of the St. Lawrence and the St. Maurice Rivers, from its beginning has been an important trading center.

But it is within the past ten years that Les Trois-Rivières has come most spectacularly to the forefront as an industrial center. In that time its population has increased from 10,000 to 28,000 and today this city bears the proud distinction of being the greatest pulp and paper center in Canada.

Proof of this pulp and paper supremacy is found in the following well known Companies located here:—

The Wayagamack Pulp and Paper Company, the largest Kraft Mill in the world, employing 900 men and daily producing 250 tons of pulp and 125 tons of wrapping paper; soon to manufacture newsprint also.

Canadian International Paper Company, employing 700 men and producing 320 tons of newsprint daily. This is to be increased to 700 tons daily.

The St. Maurice Paper Company, which employs 600 men and produces 200 tons groundwood, 65 tons sulphite, 70 tons of kraft, 275 tons of newsprint daily.

The St. Lawrence Paper Mills, employing 200 men and producing 150 tons of newsprint paper daily, as well as necessary sulphite and groundwood pulp.

The firm of George Christie Canada Limited, makers of fourdrinier wire, is a recent new industry located here.

But industrial opportunity is not limited to the pulp and paper field alone. Many notable firms, listed elsewhere in this advertisement, are situated here. Les Trois-Rivières has the following advantages which are the essentials for the success of all industrial endeavor:—

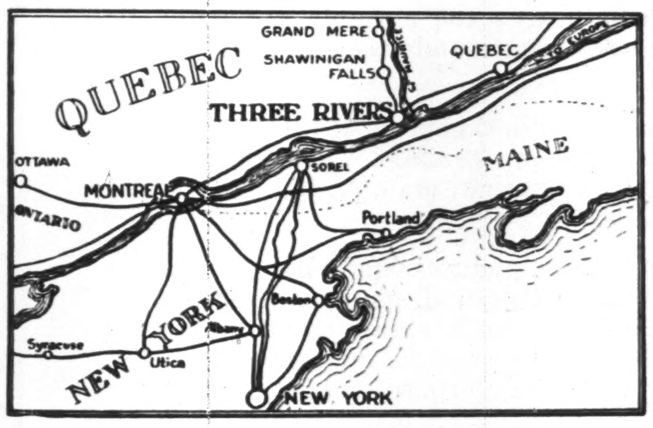
Strategic Location in Relation to Raw Materials and Markets

Les Trois-Rivières has an enviable location as an aid to industrial success. Raw materials in the form of wood products are easily and economically available from the great timber resources adjacent in the St. Maurice Valley and throughout the Province of Quebec. Many other raw materials are easily available locally or from such centers as Montreal.

But Les Trois-Rivières gives more. It gives availability to markets. Lying midway between Quebec and Montreal, with a deep water harbor, it taps the markets of the world by water and the large consuming centers of Canada and United States by water and by rail.

Mayor and Aldermen

ARTHUR BETTEZ, Mayor.
ARTHUR CARIGNAN, ROBERT RYAN
F. X. MICHELIN, A. I. GRAVEL
J. B. LORANGER, L. MADORE
ARTHUR BELIVEAU, City Clerk and Sec'y Local Tourist Committee.



Thriving, Leading Industries of Les Trois-Rivieres

Wabasso Cotton Company
Canada Iron Foundries
Girard & Godin
Tebbutt Shoe & Leather Co.
Balcer Glove Company

Pulp and Paper Companies

Canadian International Paper
St. Lawrence Paper Mills
St. Maurice Paper Company
Wayagamack Pulp & Paper
George Christie Canada Ltd.

Mr. Arthur Bettez, Mayor.

Mr. W. G. E. Aird. President, Chamber of Commerce.

Splendid Water and Rail Transportation Facilities

A deep water harbor on the St. Lawrence River, with a wharf frontage of 4,500 feet, and warehouse storage facilities, give industries in Les Trois-Rivières the economy of water transportation to the markets of the world.

It is also served to full advantage by the Canadian Pacific Railway whose faith in the future progress of this City is well evidenced by the attractive new station recently built.

Essential Power — Abundant and Cheap

Les Trois-Rivières is fortunate in its supply of hydro-electric power, abundant in quantity and extremely moderate in price — generated by the great and efficient Shawinigan system from power installations on the St. Maurice River. Full development of the Shawinigan system will approximate 550,000 horse power. Power is distributed in Les Trois-Rivières by the North Shore Power Company. Manufacturers can be certain of continuous power always available.

Contented Labor

The largely French-Canadian population of Les Trois-Rivières provides a source of labor unequalled anywhere on the North American Continent. Faithful, contented, skilled and unskilled labor assures industry a labor supply that is diligent and, as past records show, one not given to labor disturbances of any kind.

Ideal Living Conditions and Educational Advantages

Living conditions in Les Trois-Rivières are such as to create a contented people, whilst education needs are splendidly met by academies and colleges of the highest rank. Convenient and efficient technical schools have been important factors in creating labor efficiency.

Parks, playgrounds, a promenade on the banks of the St. Lawrence, well shaded residential streets, attractive residences, and well administered public services are all factors that bear favorably on industrial endeavour. Four of Canada's leading banks serve the city.

Your Opportunity for Successful Manufacturing

Les Trois-Rivières' splendid record to date of successful manufacturing is your best proof of your being able to do likewise here.

Bring Your Industry to Les Trois-Rivières

Address inquiries to:—Arthur Beliveau, City Clerk; or to George Allen, Secretary of the Chamber of Commerce.

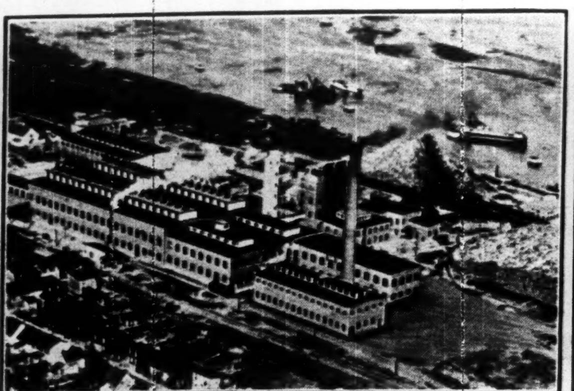
Trois-Rivières may be translated into English as Three Rivers. The city takes its name from the three separate channels by which the Saint Maurice River joins the Saint Lawrence and which gives the appearance of three separate rivers.

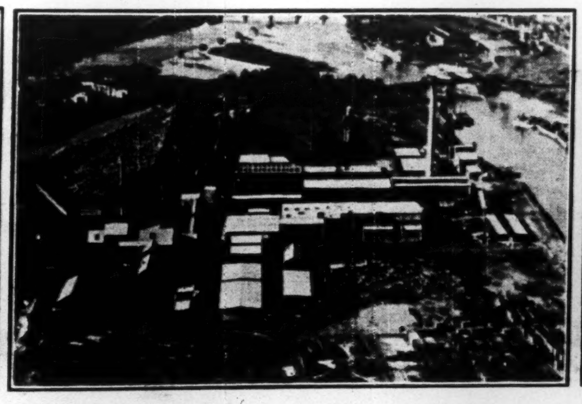
Officers of Les Trois-Rivières Chamber of Commerce

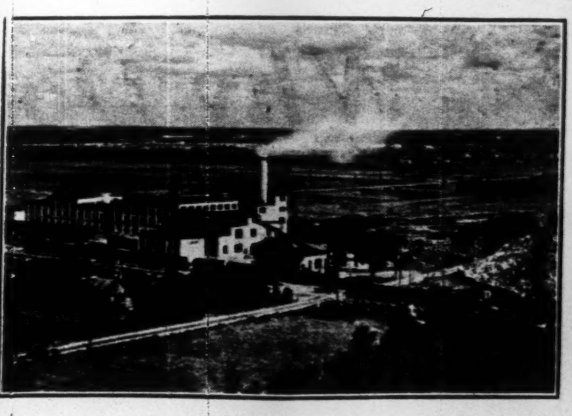
President, W. G. E. AIRD; Vice-President, J. L. FORTIN
C. O. Baptist, W. J. Langston, Dr. L. P. Normand
Norman Labelle, Arthur LaRue, F. I. Ritchie
Frs. Lajoie, Alphonse Laurin, C. R. Whitehead
G. E. ALLEN, Secretary; F. M. MARCOTTE, Treasurer.

Proof of Pulp and Paper Supremacy

St. Maurice Paper Company


Canadian International Paper Company


Wayagamack Pulp and Paper Mills


St. Lawrence Paper Mills

Why Pick on Pulpwood?

A Plea for Fair Play

We are asked to believe that cutting our forests to produce pulpwood is a prodigal and dangerous practice—but that cutting for lumber, though both be for export, is a profitable and patriotic task. Herewith is presented the mute evidence to disprove this fallacy.

IT IS a popular belief carefully fostered by interested parties, that the future of our forests is being endangered by the export of pulpwood. The same people who believe so implicitly this interested statement, see no danger to our forests in the export of the same trees as rough lumber.

To refute this misconception, the accompanying photographs, taken in Nova Scotia, are presented. They represent the conditions that remain after the portable saw-mill has finished its cutting and passed on, leaving waste and danger and desolation in its wake.

But there is no effort to stop the export of rough sawn lumber, and yet if the export of pulpwood is endangering the country's forest assets, what can be said for that branch of the lumbering industry that not only operates in such a prodigal manner, but in the very cutting wastes one board in five.

In a pulpwood operation most of the waste shown in these pictures would have been turned into saleable product, and in a pulpwood operation the small amount of slash that did remain would lie flat. It would not, as is the case in such scenes as are here illustrated, be anything like the same open menace: a breeding ground for fires that every year take a toll of our forests that all the cutting, for whatever purpose, cannot equal.

These illustrations are not used for the purpose of reflecting on the manner in which force of circumstances may compel lumber operations to be conducted, but rather to simply emphasize the fact that there can be no justification for singling out and preventing the exportation of pulpwood, when at no greater cost of production the exportation of the same tree in the form of rough lumber is not only permitted, but encouraged, and looked upon as one of our great national industries.

There is a popular misconception too that lumber is a manufactured and pulpwood an unmanufactured product. The public can visualize the cutting of lumber, but they know little of the peeling of pulpwood, yet the one requires as much labor as the other, and is as much a manufactured product. The same labor revenue is derived from peeling pulpwood as from sawing logs, and more than that the country gains from the fact that the railways derive twice the revenue from a shipment of pulpwood that they derive from the same amount of timber sawn into boards.

The Canadian Pulpwood Association is an organization of Canadian business men who have just as much interest in the welfare and prosperity of the country as the paper mill owners or the lumber merchants. All that they ask is for fair treatment and a fair understanding of the question. For such an understanding will undoubtedly show that a restriction on the export of pulpwood cannot be justified either on the grounds of Conservation or of National Economy.

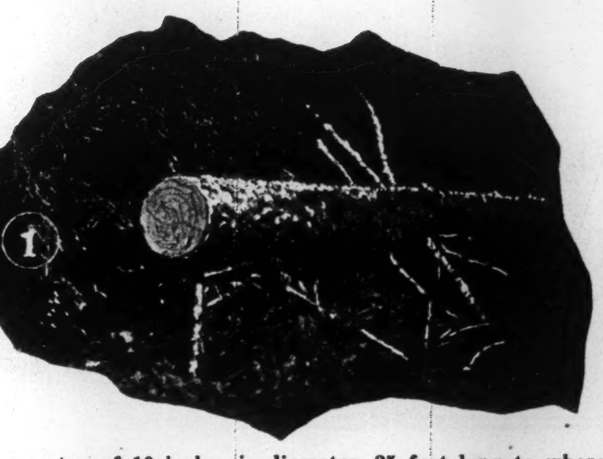
Advocating the measure is a small but wealthy group of pulp and paper mill owners, who have fostered the propaganda for a pulpwood embargo, ostensibly on the grounds of Conservation, but in reality in order that they may have the pulpwood owner at their mercy so that, in years to come, they may purchase his wood at their own figure.

Opposing it is a larger but relatively poorer group of pulpwood owners and producers, whose very livelihood is threatened and who in the face of that emergency have banded together as the Canadian Pulpwood Association to fight for the justice and fair play that is their right under the British flag.

Under the guise of patriotism and masquerading their clever scheme as an important measure of Forest Conservation, the shrewd and wealthy pulp and paper mill owners have secured hundreds of thousands of dollars' worth of free publicity from the newspapers and periodicals of the country, whilst the pulpwood owners, engaged in a trade every whit as legitimate and worthy of encouragement, as the lumber industry for example, have, (with the exception of a few outstanding papers to whom their sincere thanks for encouragement and support are gratefully tendered) had to pay the regular advertising rates in order to even get their side of the story before the public.

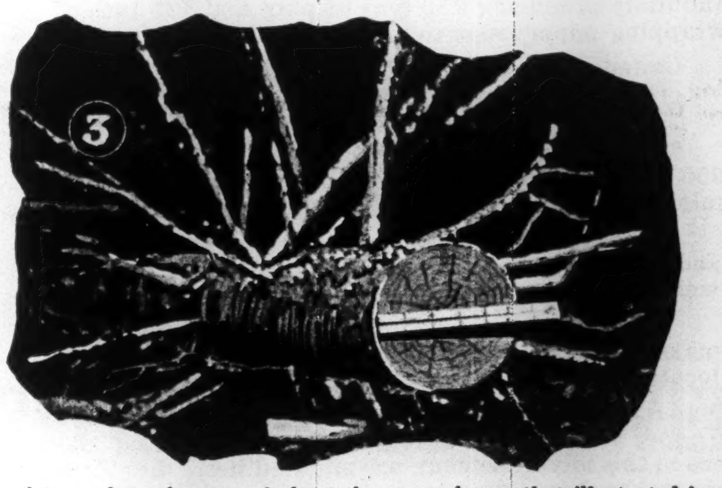
If the Canadian pulp and paper mills want or require the wood owned by their fellow citizens that is now being sold to United States mills—they can buy it. It is, and always will be, for sale in the open market at a fair price. Government regulation is not required to keep this wood in Canada. All that is necessary is that the Canadian mills pay as good a price as their American competitors.

Why Don't They Buy?



This shows a top of 10 inches in diameter, 25 feet long to where it would cut off 4 inches in diameter. There were scores of such tops left on this particular operation. Not only would a pulpwood operation have turned all this wood into saleable product, but the slash left behind would have been flat on the ground, providing far less fire hazard.

This shows another top, of which there were hundreds left behind, measuring 10 feet long to where it would cut off 4 inches in diameter. The same comments applicable to illustration No. 1 apply in this instance.



A picture of another top of about the same size as that illustrated in No. 1. Apart altogether from the economic loss involved in leaving sound wood like this to rot, it is not difficult to visualize the start that a fire would get in a spot like this.

Canadian Pulpwood Association
Temporary Address: P.O. Box 1081, Halifax, N.S.

EXECUTIVE COMMITTEE:
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T. J. Rankin, Eganville, Ontario.
Charles E. Clowes, Fredericton, N.B.

An organization of Canadian citizens and companies engaged in the production of pulpwood, which believes in the right of its members to sell their product in the best markets of the world.

Canadian Pulpwood Association

Canadians Can Make Forests Permanent Wealth Producing Asset by Proper Protection

Few Countries More Generously Endowed With Natural Resources Than Canada — It is up to Us to Insure Perpetuity of Our Wood Supplies

By ROLAND D. CRAIG, F.E.,
Paper Published by the Dominion Forestry Branch.

FEW countries have been endowed more generously with natural resources than Canada, and it is on the development of these resources that the prosperity of the country depends. Seventy-five per cent. of the products of our industries are of a primary nature, requiring a minimum degree of manufacture, and a very small percentage of the industrial activities of the country are dependent on supplies of raw material from outside sources.

Two-thirds of the population engaged in gainful occupations are directly connected with production, and a large proportion of the remainder are occupied in supplying service, such as transportation and trade, to facilitate the marketing of the products of the industries.

The principal resources in order of importance are agricultural land, forests, minerals, water-powers, and fisheries. The forests rank second only to agriculture in value of primary products, but wood forms such an essential part in almost every industry that this does not furnish a true measure of the importance of the forest in the economic development of the Dominion. In spite of the great increase in the use of iron and concrete, the use of wood is also increasing, and a cheap and abundant supply of wood is one of the greatest assets that any country can have.

Amount of Timber

The total stand of timber in Canada is estimated to comprise 482,000 million feet board measure of saw material, and 1,280 million cords of pulpwood, fuel-wood, posts, etc., a total of 246 826 million cubic feet. Of this, 108,946 million cubic feet is in the Eastern provinces, 54,423 million in the Prairie provinces, and 81,657 million in British Columbia; but British Columbia has nearly three-quarters of the saw material in the Dominion. Of the total, about 125,000 million cubic feet may be considered as accessible at present.

I have estimated that the original forest area of 1,300,000 square miles carried at least 925,000 million cubic feet; of this approximately 250,000 million cubic feet, or 27 per cent., is left. The records of production indicate that not over 120,000 million cubic feet, or 13 per cent. has been cut for use; hence there has been a loss of 550,000 million cubic feet, or 60 per cent., due to fire. This does not represent the total depletion due to fire, as part of the loss has been replaced by natural reproduction. Insects and fungi have destroyed large amounts of timber, but these agencies may be considered as natural causes of mortality which, over long periods, do not disturb the equilibrium of the stand. They differ from fire in that they do not destroy the soil. Cutting alone would not reduce the productivity of the soil, but fire has been such a consistent concomitant of logging slash that cutting and fire cannot be separated as far as their effects are concerned.

Ever since the first French settlers landed on the Atlantic coast, the industrial and economic development of Canada, has, to a large extent, been dependent on the forests. During the first century and a half, fur was practically the only commercial product of the forest, and, though now relatively of less importance, the annual fur catch is valued at between 15 and 20 million dollars.

Revenues from the Forests

Over eighty per cent. of the timberland in Canada is owned by the Dominion or provincial governments, and the timber is disposed of almost entirely under licenses to cut over definite areas for which an annual ground-rent and a royalty on the timber cut is charged. These licenses are, for the most part, renewable annually, the Governments reserving the right to alter the rates of rental or royalty and to impose such regulations as are deemed expedient.

The direct revenue to the federal and provincial governments from the forests amounts to about $12,000,000 annually, of which about $4,500,000 is spent in protection and administration. The forest industries contribute, through income, business, customs, and other taxes, a large proportion of the revenue of the country. The taxpayers of Canada have, therefore, a very direct and permanent interest in the forests.

Forest Production

During the five years 1918-1922, the average annual cut of standing timber was approximately 2,450 million cubic feet, of which about two-thirds was actually used and one-third wasted in the process of logging or manufacturing.

The value of the primary products, including lumber, shingles, pulp, paper, fuel-wood, ties, etc., was $350,000,000, but further manufacture of the lumber into doors, furniture, containers, etc., added over $75,000,000 to its value, so that the products of the industries directly dependent on the forests amounted to $425,000,000 annually.

The products of the forests are exceeded in value only by those of agriculture, and are twice the value of the product of the mines and nearly ten times the value of the fisheries.

From the standpoint of value, the principal forest products rank as follows:—

Lumber, lath, and shingles	$128,000,000
Paper	101,000,000
Pulp exported	44,000,000
Fuel-wdod	38,000,000
Pulpwood, logs, and square timber exported	17,000,000
Railway ties	13,000,000
Posts and poles	3,000,000
Other products	6,000,000
Value added by further manufacture	75,000,000
	$425,000,000

The primary forest industries furnish employment to over 100,000 people.

The Trend of Production

Complete statistics as to all forest products are secured only in connection with the decennial census, but during the last 15 years, for which there are annual data for lumber, lath, shingles, and pulpwood, there has been an average annual increase of 18,000,000 cubic feet in the amount of standing timber cut for these industries. The depletion of the accessible supplies of saw material in eastern Canada is indicated by an average annual decrease of 62 million board feet over this period. This is due chiefly to the average reduction of 40 million feet per annum in the cut of eastern white pine, which was once the premier lumber tree of Canada, but is now fast disappearing through wasteful exploitation and the scourge of fire. There is also a decrease of nine million board feet in the Prairie Provinces, but in British Columbia there has been an average increase of thirteen million board feet in the Dominion. As might be expected, the price of lumber has doubled in ten years.

The reduction in the cut of lumber is more than made up by the growth of the pulp and paper industry. The cut of pulpwood during the last fifteen years has been increasing at the rate of over 200,000 cords per annum. The production of shingles is also increasing by 100,000,000 shingles per annum. The use of wood fuel, railway ties, posts, poles, etc., increases steadily with the population and development of the country, so that the drain on the forests may be estimated to be increasing at the rate of at least 25,000,000 cubic feet per annum.

There are no reliable data as to the increment which is taking place in the forests, but considering the fact that practically no further attempt is being made in the cutting of the forests to provide for further crops, and that the natural reproduction on 1,300,000 acres is annually destroyed by fire, there is no doubt that the total annual depletion greatly exceeds increment, and, with a constantly increasing demand for timber, a shortage of accessible supplies is already within sight.

Foreign Trade in Forest Products

Situated in a northern latitude which precludes the production of many commodities, and with a small population chiefly engaged in the primary industries, Canada, of necessity must import heavily from other countries. In order to pay for these imports the products which the country does yield must be exported.

The average trade of Canada during the last five years consisted of $955,000,000 of exports and $1 093,000,000 of imports, leaving an excess of imports over exports of $138,000,000. During 1923 the balance of trade was reversed and exports exceeded imports by $143,180,000. This improved condition was in a large measure due to the increase in the value of the forest products exported.

The chief exports of Canada consist of agricultural products, but the products of the forest rank second. Since Confederation the forests have furnished 18.5 per cent. of this country's exports. During the Great War this percentage fell to 10.4 per cent., but in 1923 it reached 24.5 per cent. During the last five years, 1919-23, the average value of the exports of forest products was approximately $235,000,000 and of imports $31,000,000, providing a favorable balance of $204,000,000.

Since 79 per cent. of Canada's exports of wood and wood products go to the United States, and comprise 40 to 50 per cent. of the Canadian exports to that country, they contribute largely in equalizing the exchange between the two countries. During the last four years they have formed an increasing proportion of our exports to the United States. In 1920 they provided 33.12 per cent., in 1921, 39.8 per cent., in 1920, 50.61 per cent., and in 1923, 51.85 per cent.

Two-thirds of the newsprint paper used in the United States is now made from Canadian wood. Since the forests of the United States are being depleted four times as fast as they are growing, and the remaining supplies are chiefly in the far West, this demand on Canada's resources is bound to increase. Canada is the chief source of softwood timber in the British Empire, and supplies 81 per cent. of the total exports of forest products of the whole Empire.

During the last five years the value of the exports of forest products from Canada to Great Britain averaged approximately $24,970,000; to Australia, $4,657,000; to Japan, $2.014,000; to New Zealand, $1,934,000; to South Africa, $1,783,000; to France, $1,283,000; to China, $600,000. Other countries to which considerable quantities are exported are British East Indies, British West Indies, Mexico, Cuba, Peru, Argentina, and Belgium.

The principal exports are lumber, pulp, newsprint, and pulpwood, and the imports consist mainly of high-grade paper, hardwood lumber, and manufactured wood products, such as furniture.

In addition to the revenue derived directly from the wood produced, the forests contribute largely in the development of other resources.

There is hardly any sphere of industrial activity in Canada which is not vitally concerned in the perpetuation of the forests. Though Canada's resources have been dissipated by reckless exploitation and still more indefensible destruction by fire, there yet remains a most valuable asset which should be husbanded in such a manner as not only to maintain, but to augment both the capital and the yield.

This country has an immense forest area which, if given effective protection from fire and the simplest form of silvicultural treatment, could supply in perpetuity several times the present cut.

It lies with the people of Canada either to turn this vast area into a barren waste by following the time-honored system of allowing it to be slashed and burned, or by practising silviculture and protecting the young growth, as well as the mature timber, to make the forests a perpetual source of wealth and prosperity to the Dominion.

Need Emphasized for Definite Forestry Policy for Dominion

Conditions Have Changed Since Early Settlement Days, Yet Timber Cutting Regulations Remain Essentially the Same

By DR. CLIFTON D. HOWE, Ph.D.,
Dean of the Faculty of Forestry, University of Toronto.

WE HAVE been talking about forestry for forty years in this country, and as yet we have no definitely stated or legislatively enacted forest policy on the part of the Dominion government or that of any province, based on the fundamental essential of continuous production. We still regard the forest as something that must necessarily be destroyed in the process of utilization—as a mine and not as a restorable resource, capable under intelligent care of yielding successive crops to supply the needs of our sawmills and our pulp and paper mills. That is what continuous forest production means—the use of intelligence to produce continuous supplies of raw material for our wood-using industries.

This attitude of mind is traceable to at least three sources. The first is due to the fact that in the early settlement of the country, forests had to be destroyed to make way for agriculture. And what an achievement it was—the hewing of homes from the wilderness! In those days the Canadian spirit was born. But times and conditions have changed. The forests as they remain to-day, for much the greater part, no longer occupy agricultural soils. Only a very small portion of the present cutting of forests is followed by the establishment of farms. Yet the essential aspects of timber-cutting regulations have not changed; they are still based on the assumption that the lumbering operations will be followed by agricultural settlement. They have not been changed for 25, 50, and in some cases, for 75 years. Times have changed, conditions have changed, but timber-cutting regulations with a few exceptions have not been changed to meet the new conditions. We might say that this state of affairs is due to the conservatism of governmental organizations and processes, whatever descriptive titles may be attached to them for purposes of identification, or perhaps better, to the natural conservatism of the human mind, or to the inertia of a fixed idea.

Mental Attitude of Pioneers

The second reason for our regarding the forests as mines to be worked out and abandoned is to be found in the mental attitude of the pioneering days that our forests are practically limitless in area and inexhaustible in material. When supplies of any kind are plentiful and cheap, waste inevitably follows. This is due to an economic law with which we have no quarrel. But conditions have changed. We know now that our forest supplies are not inexhaustible. We know, in fact, that the supplies of two of our most important timber trees, namely, white pine and spruce, are already in the first stages of exhaustion, yet our attitude of mind toward their regeneration and continuance in the forest has not changed to meet the changed conditions. Within the past few months, indeed, I have read the press reports of speeches of public men, leaders of public opinion, to the effect that our forest resources were practically inexhaustible and that the country would reap untold wealth by their exploitation. Now, I think these men really knew better, but they were simply too busy, too much engrossed in the affairs of state—or party—to change their minds, and that the expression of such opinions is another illustration of the inertia of a fixed idea.

We know that lumber, pulp, and paper are no longer cheap. That in itself should prompt meditation upon the state of our forest supplies. We know that white pine has practically gone out of use in this country for ordinary building and construction purposes, when 25 or 30 years ago it was the most commonly used material. We know that other woods are rapidly supplanting spruce in the manufacture of pulp and paper. These things in themselves should constitute a cause for meditation and action as to the continuance of these valuable species in our forests.

Now Suffering From Mistakes

We know that the competition of western lumber in our eastern markets is not entirely due to cheap water transportation—a competition so severe and so aggressively maintained by remarkably intelligent selling agencies that, if continued, will put out of business many of our long-established lumber industries. We know deep down in our hearts that we are suffering this competition very largely because we have formulated no definite policy for the rejuvenation of the cut-over and burned-over lands which now lie idle and waste by the hundreds of thousands of acres at the very doors of our great wood-using markets. We know these things, yet, owing to the inertia of the public which owns these wasted Crown lands, we do not act in an adequate way to meet the conditions facing us. No government, Dominion or provincial, has as yet, by legislative enactment or sustained financial support, formulated an adequate reforestation program. The province of Ontario has done the most in this respect, and its endeavors are to be highly commended, but even its program is wholly inadequate to meet the needs of the situation, and, therefore, it should be greatly extended. Indeed, the largest reforestation program in this country with the definite policy of furnishing future commercial supplies of wood has been developed by a private company, the Laurentide Company of Quebec, which is reforesting at the rate of several thousand acres each year. This fact in itself is a sad commentary on the foresight and business ability of our citizens who own such extensive areas of idle Crown lands in Eastern Canada.

Continuing the consideration of the reasons for the absence of a definite constructive and comprehensive forest policy in this country, I think we must include the fact that so much energy on the part of governmental organizations and the technically-trained foresters has necessarily been expended upon fire protection. Adequate fire protection is, of course, an absolute pre-requisite of forest cropping. This can be attained by the proper expenditure of money and human intelligence. In fact, it has already been attained over considerable areas in Eastern Canada. The baffling aspect of the situation, however,—an aspect that is in reality a tragedy—lies in the fact that the carelessly thrown match or cigarette stub will destroy in a few hours the constructive work of many years, and ninety per cent. of our forest fires are caused by human carelessness, very few are due to deliberate intent. This attitude of mind is another relic of an outgrown condition, and is another illustration of the public mind lagging behind new conditions. A man does not destroy the thing he values.

I have tried to show you by inference at least why we need a definite forest policy, which should be publicly declared and financially sustained through a series of years so as to give uniformity and continuity to its operation.

Up to Federal Government to Lead

It is the function of the Federal government to take the leadership in the fomulating and the sustaining of such a policy. The forests render service, not to local industries alone, but to industries beyond the provincial boundaries. The Dominion should have an interest even if the forest industries were strictly provincial, for the whole cannot be prosperous if any of its parts lacks industrial prosperity, and the forests, as you know, are the second largest contributors to national prosperity. A large portion of our forest products are sold in foreign markets. It is the function of the Dominion government to facilitate and maintain the proper balance in international trade and the consequent parity of exchange. In the past few years, there has been no more important factor in this respect than our forest products sold outside our borders. The Dominion takes leadership in the aid to agriculture, especially along the lines that increase the productiveness of the soil. It is perfectly legitimate and logical that the Dominion take the same interest in the welfare of the forests as in the welfare of the farms, since the forests stand next to the farms as wealth-producers and creators of prosperity in this country. There need be no invasion of provincial rights, but there may be, however, standings (shall I say "jealousies?") in the common good of the Dominion as a whole. I am simply making an appeal for a definite forest policy in this country. Taking the Dominion as a whole, forestry is much in the same condition as that which Mark Twain once described with reference to the weather: "Everybody talks about it and nobody does anything about it." I am simply making an appeal for leadership in a definite forest policy applicable in its main outlines to all parts of the Dominion—a forest policy that shall be based upon two things—namely, adequate protection from fire and the setting aside of definite areas to be dedicated to the production of a continuous supply of raw materials for our wood-using industries. The Dominion is very wide and it presents many problems in forestry as well as in other matters. Many of the problems must be worked out locally. The problems of the East differ from those of the West, and the problems of the Prairie provinces differ from those of either.

Take Eastern Canada with which I am most familiar for illustration. Our most critical problem is fire protection. There is a great danger that the forest supplies of large industries may be wiped out. Young growth on which we must depend for future supplies is being destroyed at the rate of a half million acres a year in Eastern Canada. I realize that in the present state of our finances, Dominion and Provincial, it is unpopular to talk about spending more money but we certainly must spend more money and perfect our protection organizations if we are to save our forests. We are now spending in the neighborhood of a million and a half dollars on forest protection in the East. This sum should be doubled. The money must be found in some way. It is entirely logical that the Dominion Government should take the leadership in this. The problem affects the Eastern half of the country and 70 per cent. of its population. Is it therefore not a national problem? The Dominion spends about six million dollars a year in encouraging agriculture, a private enterprise. I say again that the forests stand next to the farms as wealth-producers. I ask again, is not their protection and intelligent use a national problem?

Protection Easy to Understand

There is nothing hard to understand about those two principles of adequate protection and continuous production. There is nothing mysterious, nothing abstruse, about forestry. Like other things worth while, a national forest policy will cost money, energy, and intelligent planning. In fact, a definite forest policy is a national investment. It rests upon the sound economic principle of whirring wheels, sustained labor, prosperous and permanent population in districts devoid for the most part of agricultural possibilities, designed in the beginning by the Creator for the growing of forests and granted to an intelligent and virile people. These gifts are yours; what will you do with them?

GOVERNMENT HELPS IN RESEARCH WORK

A certain amount of research has been carried out by the government in the field of pulp and paper making. The companies also have individually been doing this work, but this year saw a great step forward which is of vital importance to the industry—indeed to Canada as a whole.

On April 1, 1925, a co-operative agreement between the federal government and the Canadian Pulp and Paper Association for the operation of the Division of Pulp and Paper, Forest Products Laboratories of Canada, came into being. Under the terms of this agreement, which is on a two year basis, with a further three year option, the Canadian Pulp and Paper Association is to supply not less than $20,000 a year, while the government is to continue their appropriation of $35,000 a year. The officer in charge of the division is responsible to a Joint Committee of Operation composed of three leading technical officers from the industry and the superintendent of the laboratories. These officers, in turn, are responsible to their respective parent bodies, namely the Research Section of the Canadian Pulp and Paper Association and the Forestry Branch, Department of the Interior, Federal Government.

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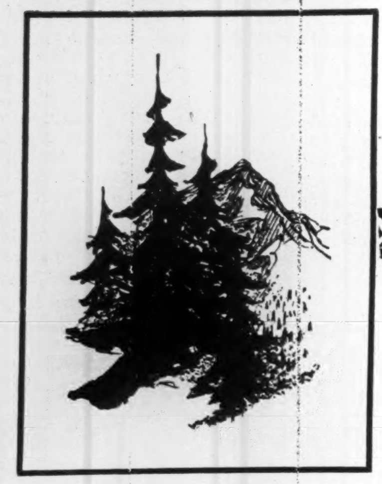

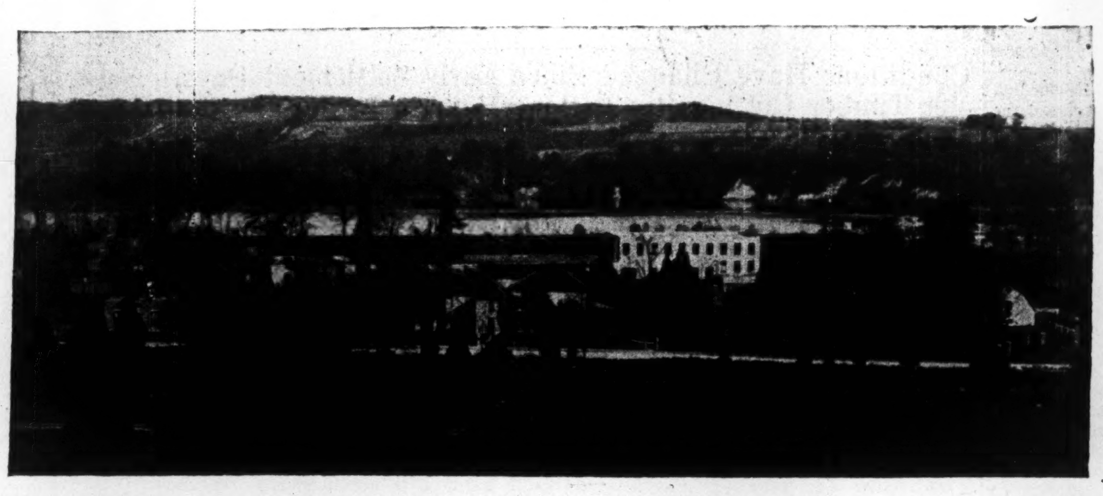

Canadian Paperboard Company's Mill at Frankford, Ontario.

DAILY REMINDERS *of the* Canadian Paperboard Company

YOU can't escape hundreds of daily reminders of the Canadian Paperboard Company, for every packaged article you buy is an eloquent tribute to the part paperboard plays in the drama of modern merchandising.

From the carton of your shaving cream in the early morn, the package of your breakfast cereal, the window displays of packaged goods you see en route to your office, the boxed shipments of goods to and from your warehouse — and so on through the day, the drama of paperboard proceeds.

Nor would you wish to escape these reminders of the importance of paperboard for it has brought healthful protection to consumers of many articles of food. Witness the exit of the old-fashioned "Judas" cracker barrel — the rendezvous of dust and germ-laden flies — following the entrance of the hero "Sir Galahad" paperboard container.

But paperboard does more than apply the principle of sanitation to the merchandising of commodities. It also speeds up sales — for neatly, attractively packaged goods display to advantage, and build for consumer confidence and desire which create sales. And, further, the appealing paperboard package lends itself to ready recognition which means repeat sales.

Despite the wide use of paperboard in Canada, statistics show that the Canadian consumption is but 20 pounds per capita as compared with that of 40 pounds per capita in the United States.

Modern merchandising, advertising and public sentiment, however, are strongly in favor of packaged, sanitary containers. This points toward increasing per capita consumption in Canada, an increase in which the Canadian Paperboard Company most largely shares, for it is the largest producer of paperboard in Canada.

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Canadian Paperboard Company, Limited, leads in paperboard production in Canada. Its three mills at Frankford and Campbellford in Ontario and at Montreal in Quebec have a yearly output of 30,000 tons of paperboard, and 3,000 tons of Groundwood Pulp.

An immense quantity of waste paper is kept on hand.

The groundwood pulp in manufactured paperboard is produced at the Canadian Paperboard's own groundwood pulp mill at Frankford.

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